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TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA
June 9, 2004 1:30 P.M.

DOCUMENTS DEPT.

Room 400, City Hall
1 Dr. Carlton Goodlett Place

JUN - 4 2004

SAN FRANCISCO
PUBLIC LIBRARY

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DIRECTORS

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William Fazande, Vice-Chair
John Elberling
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Susan Po-Rufino
Marcia Rosen
Douglas Wong
Supervisor Chris Daly (*ex-officio*)

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Report by Executive Director Annemarie Conroy (*Discussion Item*)
 - Report on access to Treasure Island including public use last month
 - Status of environmental clean up
 - Report on short-term leases
 - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
 - Report on Treasure Island community issues
 - Report on TIHDI
 - Financial Report
 - Legislation/hearings affecting Treasure Island
3. Communications (*Discussion Item*)
4. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
5. Ongoing Business by Directors (*Discussion Item*)

6. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #6), Public Comment will be held during each item on the agenda.***
-

7. **CONSENT AGENDA**

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a.) Approval of Minutes of April 14, 2004 and May 12, 2004 (*Action Item*)
 - b.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with the Treasure Island Homeless Development Initiative for an Additional Two Months (*Action Item*)
 - c.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with Toolworks for an Additional Two Months (*Action Item*)
 - d.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with Rubicon Enterprises for an Additional Two Months (*Action Item*)
 - e.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with Geomatrix Consultants for an Additional Two Months (*Action Item*)
 - f.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with URS for an Additional Six Months (*Action Item*)
 - g.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with Seifel Consulting Inc. for an Additional Twelve Months (*Action Item*)
 - h.) Resolution Authorizing the Executive Director to Extend the Term of the Contract with CH2M HILL for an Additional Twelve Months (*Action Item*)
 - i.) Resolution Authorizing the Executive Director to Extend the Term of the Sublease with the Department of Aging through December 31, 2005 (*Action Item*)
-

- 8. Report of Treasure Island Development Authority Nominating Committee (*Discussion Item*)
- 9. Election of Officers of the Treasure Island Development Authority (*Action Item*)

10. Resolution Authorizing the Executive Director to Enter into an Agency Agreement for the Provision of Employee Services with the San Francisco Redevelopment Agency (*Action Item*)
11. Approving the Amended Budget of the Treasure Island Development Authority for Fiscal Year 2004-2005 (*Action Item*)
12. Discussion of Projected Professional Service Contracts Necessary to Support Redevelopment Planning and Negotiation in Fiscal Year 2004-2005 (*Discussion Item*)

POSSIBLE CLOSED SESSION

****If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting****

- Public Comment on all items relating to closed session
 - Vote on whether to hold closed session to confer with legal counsel. (*Action item*)
13. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Persons negotiating for the Authority: Annemarie Conroy, Jack Sylvan, Michael Cohen
Persons negotiating with the Authority: United States Navy
Property: Former Naval Station Treasure Island
Under Negotiation: Price___ Terms___ Both X
 14. Reconvene in open session (*Action item*)
 - Possible report on action taken in closed session under Agenda Item 13. (Government Code section 54957.1 (a) (2) and San Francisco Administrative Code Section 67.12)
 - Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12).
 15. Discussion of Future Agenda Items by Directors (*Discussion Item*)
 16. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

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TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.





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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Extend the Term of the Contract with
the Treasure Island Homeless Development
Initiative for an Additional Two Months (Action Item)

Agenda Item No. 7B
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

DISCUSSION

TIHDI, a consortium of nonprofit organizations providing services to homeless and other economically disadvantaged San Francisco residents, is a California nonprofit corporation organized to utilize the resources of former Naval Station Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.

On August 27, 2003, the Authority authorized a contract with TIHDI in an amount not to exceed \$350,000. Under the terms of the contract, \$100,000 of the contract budget was for TIHDI operating, personnel and facility expenses to support TIHDI's mission of coordinating and facilitating the participation of community-based homeless service organizations in the development of long-term plans to implement the Base Closure Homeless Assistance Agreement. Another \$250,000 of the contract budget was to provide coordination and facilitation of recreational services on Treasure Island.

The term of the contract is due to expire on June 30, 2004. Staff wishes to extend the term of the contract for an additional two months, through August 31, 2004. The amendment does not change the scope of services, budget or any other terms of the contract. It is expected that TIHDI's operating, personnel and facility expenses will exceed \$100,000 during the period of the extension. These expenses will be funded via monies that would not otherwise be spent from the \$250,000 recreational program budget of the contract. This reallocation of funds will not result in an exceedance of the contract maximum of \$350,000. Staff expects to bring a new contract with TIHDI to the Authority prior to expiration of the term of the extension.

STAFF RECOMMENDATION

Staff recommends authorizing a First Amendment to the contract extending the term for an additional two months.

EXHIBIT

A First Amendment to Contract with TIHDI

1 **[Authorizing a two month extension of the TIHDI Homeless Services contract]**

2
3 **Authorizing The Executive Director To Extend for two months the Contract With the**
4 **Treasure Island Homeless Development Initiative, A California Public Benefit**
5 **Corporation, To Coordinate And Facilitate The Participation Of Homeless Services**
6 **Organizations In Implementing The Proposed Base Closure Homeless Assistance**
7 **Agreement And Option To Lease Real Property, And To Provide Recreation Services To**
8 **Treasure Island Residents.**

9
10 WHEREAS, On May 2, 1997 the Board of Supervisors passed Resolution No. 380-97,
11 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
12 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
13 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
14 conversion of the Base for the public interest, convenience, welfare and common benefit of
15 the inhabitants of the City and County of San Francisco; and,

16 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
17 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
18 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
19 Authority as a redevelopment agency under California redevelopment law with authority over
20 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
21 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
22 to administer the public trust for commerce, navigation and fisheries as to such property; and,

23 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
24 redevelopment agency for Treasure Island in 1997; and,
25



1 WHEREAS, The City and County of San Francisco negotiated a proposed Base
2 Closure Homeless Assistance Agreement and Option to Lease Real Property with the
3 Treasure Island Homeless Development Initiative, a California nonprofit corporation ("TIHDI"),
4 organized to utilize the resources of former naval base Treasure Island available to help fill
5 gaps in the continuum of care for homeless persons and families, pursuant to the Base
6 Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

7 WHEREAS, On July 25, 1996, the Board of Supervisors passed Resolution 672-96,
8 authorizing sole source negotiations with TIHDI and its member organizations; and,

9 WHEREAS, On July 1, 2003, the Authority entered into a contract with TIHDI to
10 coordinate and facilitate implementation of the proposed Base Closure Homeless Assistance
11 Agreement and Option to Lease Real Property for former naval base Treasure Island for an
12 amount not to exceed \$350,000; and,

13 WHEREAS, The Parties wish to extend the term of the contract with TIHDI by an
14 additional two (2) months without increasing the maximum amount of the contract; now,
15 therefore be it

16 RESOLVED, That the Authority hereby authorizes the Executive Director to extend the
17 term of the contract with TIHDI for an additional two months at the same rate for operational
18 expenses set forth in the budget attached to the contract, not to exceed the maximum amount
19 stated in the contract.
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**TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO**

FIRST AMENDMENT

THIS FIRST AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between the Treasure Island Homeless Development Initiative, a California nonprofit corporation ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated July 1, 2003 between Contractor and Authority.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from July 1, 2003 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from July 1, 2003 to August 31, 2004.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Sherry Williams, Executive Director
Treasure Island Homeless Development Initiative
Treasure Island Building One
410 Avenue of the Palms
San Francisco, CA 94130
FEIN: 94-3280624
Vendor No: 51465



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Extend the Term of the Contract with
Toolworks for an Additional Two Months
(Action Item)

Agenda Item No. 7C
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

DISCUSSION

Toolworks, a member organization of the Treasure Island Homeless Development Initiative (TIHDI), is a non-profit agency organized to provide services that increase economic opportunities for economically disadvantaged people with disabilities. Most of Toolworks' clients are homeless. Clients are recruited through the TIHDI Job Broker Program and through the Homeless Employment Collaborative. One of Toolwork's programs is contractual janitorial services. Janitorial and other building maintenance services are identified in the draft Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans. The Board of Supervisors has authorized the Authority to engage in sole source negotiations with TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan.

On April 9, 2003, the Authority authorized a contract with Toolworks for an amount not to exceed \$125,000 to provide janitorial and building maintenance services required for the Treasure Island Project offices and the special event venues. On April 14, 2004, the Authority authorized a First Amendment to the contract extending the term of the contract retroactively through June 30, 2004 under the same scope and budget.

The contract as amended is due to expire June 30, 2004. Staff wishes to extend the term of the contract for an additional two months, through August 31, 2004. The amendment does not change the scope of services, budget or any other terms of the contract. Staff expects to bring a new contract with Toolworks to the Authority prior to expiration of the term of the extension.

STAFF RECOMMENDATION

Staff recommends authorizing a Second Amendment to the contract extending the term for an additional two months.

EXHIBIT

A Second Amendment to Contract with Toolworks

1 [Authorizing a two month extension of the contract with Toolworks, Inc. for janitorial and
2 building maintenance services.]

3 **Resolution authorizing the Executive Director to extend the contract with Toolworks,**
4 **Inc. ("Toolworks") for janitorial and building maintenance services for an additional**
5 **two months.**
6

7 WHEREAS, On May 2, 1997 the Board of Supervisors passed Resolution No. 380-97,
8 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
9 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
10 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
11 conversion of the Base for the public interest, convenience, welfare and common benefit of
12 the inhabitants of the City and County of San Francisco; and

13 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
14 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
15 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
16 Authority as a redevelopment agency under California redevelopment law with authority over
17 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
18 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
19 to administer the public trust for commerce, navigation and fisheries as to such property; and,

20 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
21 redevelopment agency for Treasure Island in 1997; and,

22 WHEREAS, The City and County of San Francisco negotiated a proposed Base
23 Closure Homeless Assistance Agreement and Option to Lease Real Property with the
24 Treasure Island Homeless Development Initiative, a California nonprofit corporation ("TIHDI"),
25



1 organized to utilize the resources of former naval base Treasure Island available to help fill
2 gaps in the continuum of care for homeless persons and families, pursuant to the Base
3 Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

4 WHEREAS, On July 25, 1996, the Board of Supervisors passed Resolution 672-96,
5 authorizing sole source negotiations with Treasure Island Homeless Development ("TIHDI")
6 Initiative and its member organizations; and,

7 WHEREAS, Toolworks is a TIHDI member organization; and,

8 WHEREAS, On April 9, 2003, the Authority Board authorized a twelve-month contract
9 with Toolworks Inc. for janitorial and building maintenance services in an amount not to
10 exceed \$125,000, and on April 14, 2004, the Authority Board authorized an amendment to
11 extend the term of the contract through June 30, 2004; and

12 WHEREAS, The Parties wish to extend the term of the contract with Toolworks by an
13 additional two (2) months without increasing the maximum amount of the contract; now,
14 therefore be it

15 RESOLVED, That the Authority hereby authorizes the Executive Director to extend the
16 term of the contract with Toolworks for an additional two months not to exceed the maximum
17 amount stated in such contract.



CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 9, 2004.

William Fazande, Secretary

**CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
TREASURE ISLAND BUILDING ONE
410 AVENUE OF THE PALMS
SAN FRANCISCO, CALIFORNIA 9130**

SECOND AMENDMENT

THIS SECOND AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between Toolworks, Inc., a California nonprofit corporation and a member organization of the Treasure Island Homeless Development Initiative ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director.

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the City agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated March 1, 2003 between Contractor and Authority.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from March 1, 2003 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from March 1, 2003 to August 31, 2004.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY AND/OR CITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the Authority and/or City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Steven Crabel, Executive Director
Toolworks, Inc.
1119 Market Street Suite 300
San Francisco, CA 94103
FEIN: 94-2493384
Vendor No. 46565
415.733.0990



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Extend the Term of the Contract with
Rubicon Enterprises for an Additional Two
Months (Action Item)

Agenda Item No. 7D
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

DISCUSSION

Rubicon, a member organization of the Treasure Island Homeless Development Initiative (TIHDI), is a non-profit agency organized to provide services to train homeless and other economically disadvantaged persons for jobs. One of its programs is contractual grounds maintenance services. These are identified in the draft Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans. The Board of Supervisors has authorized the Authority to engage in sole source negotiations with TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan.

On April 9, 2003, the Authority authorized the execution of a contract with Rubicon to provide necessary landscaping and grounds maintenance services required to fulfill the requirements of the agreement for caretaker services between the Authority and the Navy. The contract was for an amount not to exceed \$950,000 and the term of the contract was for twelve months. On April 14, 2004, the Authority authorized a first amendment to the contract extending the term of the contract retroactively through June 30, 2004 under the same scope and budget.

The contract as amended is due to expire June 30, 2004. Staff wishes to extend the term of the contract for an additional two months, through August 31, 2004. The amendment does not change the scope of services, budget or any other terms of the contract. Staff expects to bring a new contract with Rubicon to the Authority prior to expiration of the term of the extension.

STAFF RECOMMENDATION

Staff recommends authorizing a Second Amendment to the contract extending the term for an additional two months.

EXHIBIT

A Second Amendment to Contract with Rubicon Enterprises

1 [Authorizing a two month extension of the contract with Rubicon Enterprises, Inc. for
2 landscaping and grounds maintenance services.]

3 **Resolution authorizing the Executive Director to extend the contract with Rubicon**
4 **Enterprises, Inc. ("Rubicon") for landscaping and grounds maintenance services for an**
5 **additional two months.**
6

7
8 WHEREAS, On May 2, 1997 the Board of Supervisors passed Resolution No. 380-97,
9 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
10 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
11 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
12 conversion of the Base for the public interest, convenience, welfare and common benefit of
13 the inhabitants of the City and County of San Francisco; and

14 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
15 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
16 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
17 Authority as a redevelopment agency under California redevelopment law with authority over
18 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
19 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
20 to administer the public trust for commerce, navigation and fisheries as to such property; and,

21 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
22 redevelopment agency for Treasure Island in 1997; and,

23 WHEREAS, The City and County of San Francisco negotiated a proposed Base
24 Closure Homeless Assistance Agreement and Option to Lease Real Property with the
25 Treasure Island Homeless Development Initiative, a California nonprofit corporation ("TIHDI"),



1 organized to utilize the resources of former naval base Treasure Island available to help fill
2 gaps in the continuum of care for homeless persons and families, pursuant to the Base
3 Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

4 WHEREAS, On July 25, 1996, the Board of Supervisors passed Resolution 672-96,
5 authorizing sole source negotiations with Treasure Island Homeless Development ("TIHDI")
6 Initiative and its member organizations; and,

7 WHEREAS, Rubicon is a TIHDI member organization; and,

8 WHEREAS, On April 9, 2003, the Authority Board authorized a twelve-month contract
9 with Rubicon for janitorial and building maintenance services in an amount not to exceed
10 \$950,000, and on April 14, 2004, the Authority Board authorized an amendment to extend the
11 term of the contract through June 30, 2004; and

12 WHEREAS, The Parties wish to extend the term of the contract with Rubicon by an
13 additional two (2) months without increasing the maximum amount of the contract; now,
14 therefore be it

15 RESOLVED, That the Authority hereby authorizes the Executive Director to extend the
16 term of the contract with Rubicon Enterprises, Inc. for an additional two months not to exceed
17 the maximum amount stated in such contract.

1
2 **CERTIFICATE OF SECRETARY**
3

4 I hereby certify that I am the duly elected and acting Secretary of the Treasure
5 Island Development Authority, a California nonprofit public benefit corporation, and
6 that the above Resolution was duly adopted and approved by the Board of Directors of
7 the Authority at a properly noticed meeting on June 9, 2004.
8

9
10 _____
11 **William Fazande, Secretary**
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**TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO**

SECOND AMENDMENT

THIS SECOND AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between Rubicon Enterprises, Inc. a California nonprofit corporation and a member of the Treasure Island Homeless Development Initiative ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated April 1, 2003 between Contractor and Authority.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 14, 2003 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2003 to August 31, 2004.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Rick Aubry, President
Rubicon Enterprises, Inc.
154 South 23rd Street
Richmond, CA 94804
(510) 412-1771
FEIN: 68-0353815
Vendor No: 46249



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Extend the Term of the Contract with
Geomatrix Consultants For Environmental
Consulting Services for an Additional Two Months
(Action Item)

Agenda Item No. 7E
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

In November 1998, the Authority, acting through the City's Department of Public Works (DPW), executed a contract with Geomatrix Consultants to provide independent analysis of the thoroughness and defensibility of the environmental work conducted by the Navy, and to insure the compatibility of the Navy's proposed remediation with the Authority's Draft Reuse Plan. Geomatrix was originally selected by DPW as an "as-needed" consultant for environmental review and remediation activities through a public Request for Proposals process.

On June 13, 2001, the Authority took action to directly contract with Geomatrix to provide technical services related to monitoring the Navy's environmental remediation activities at Treasure Island. That contract established a not to exceed amount of \$350,000 for fiscal year 2002. On June 12, 2002, the Authority extended the term of that contract to June 30 2003. On February 12, 2003, the Authority authorized execution of a new contract with an amended scope of work for a not-to-exceed amount of \$541,500 billed on a time and materials basis. The term of the contract was from February 15, 2003, to June 30, 2004. The scope of work for the contract consisted of oversight of the Navy's remediation program as well as assisting the Authority in its Early Transfer negotiations with the Navy and helping in the selection of a guaranteed fixed-price environmental engineering and remediation contractor.

The term of the current contract will expire on June 30, 2004. Staff would like authorization to extend the term of the contract for an additional two months through August 31, 2004. This contract amendment does not change the scope of services, budget or any other terms of the contract. Staff expects to bring a new contract with Geomatrix to the Authority prior to expiration of the term of the extension.

RECOMMENDATION

Staff recommends approval of the contract extension through August 31, 2004.

EXHIBIT

A First Amendment to Contract with Geomatrix Consultants

1 **[Authorizing extension of term of Contract with Geomatrix Environmental Consultants]**

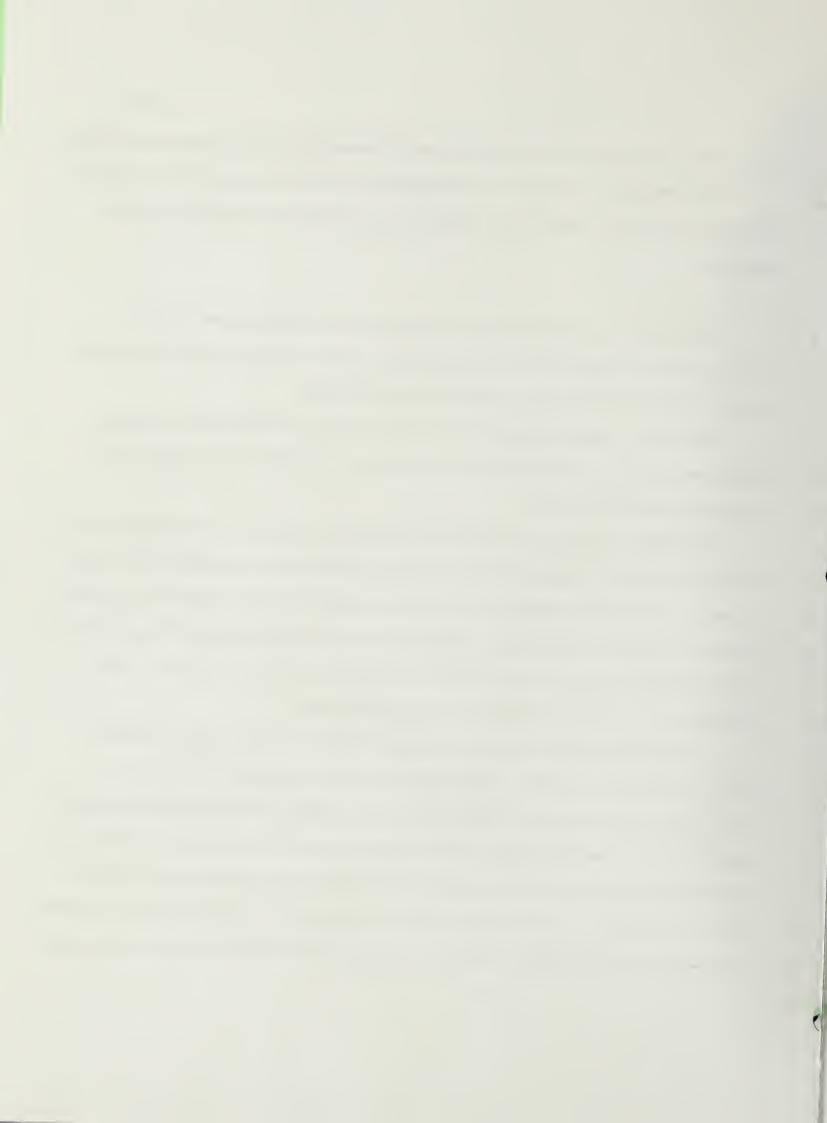
2 **AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH**
3 **GEOMATRIX CONSULTANTS TO EXTEND THE TERM FOR AN ADDITIONAL TWO**
4 **MONTHS.**

5
6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America ("the Federal Government"); and,

9 WHEREAS, Treasure Island was selected for closure and disposition by the Base.
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
21 Authority as a redevelopment agency under California redevelopment law with authority over
22 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
23 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
24 to administer the public trust for commerce, navigation and fisheries as to such property; and,



1 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private
2 ownership, generally requires that Tidelands Trust property be accessible to the public and
3 encourages public-oriented uses of Trust property that, among other things, attract people to
4 the waterfront, promote public recreation, protect habitat and preserve open space; and,

5 WHEREAS, The Authority, acting through the City's Department of Public Works,
6 initially executed a contract (the "Contract") with Geomatrix Consultants in June of 1998 to
7 provide an independent analysis of the environmental remediation work conducted at the
8 Base; and,

9 WHEREAS, Geomatrix was selected by DPW as an "as-needed" contractor based on
10 public Request for Proposals process; and,

11 WHEREAS, The Authority amended the Contract from time to time to extend the term
12 and to directly contract Geomatrix; and,

13 WHEREAS, On February 12, 2003, in part because of Geomatrix's knowledge of the
14 Navy's environmental remediation program at the Base, the Authority authorized the
15 Executive Director to execute a new contract with Geomatrix for an amount not to exceed
16 \$541,500 (Five Hundred Forty One Thousand Five Hundred Dollars) to assist the Authority in
17 drafting a Request for Qualification for GFP contractor and in evaluating bids and negotiating
18 a contract with a guaranteed fixed price contractor to participate in the negotiations with the
19 Navy for an Environmental Services Cooperative Agreement in connection with an Early
20 Transfer of the Base and to monitor the Navy's on-going environmental remediation program;
21 and

22 WHEREAS, the Authority wishes to extend the term of the Geomatrix contract for an
23 additional two (2) months; now therefore be it
24
25





**TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO**

FIRST AMENDMENT

THIS FIRST AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between Geomatrix Consultants, Inc. ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated April 1, 2003 between Contractor and Authority.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 14, 2003 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2003 to August 31, 2004.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

James C. Price, Vice President/CFO
Geomatrix Consultants, Inc.
2101 Webster Street 12th Floor
Oakland, CA 94612
(510)663-4100
FEIN: 94-2934407
Vendor No: 08211

TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
to Extend the Term of the Contract with URS
for an Additional Six Months (Action Item).

Agenda Item No. 7F
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

DISCUSSION

The conveyance and redevelopment of the former Naval Station Treasure Island requires environmental review under the National Environmental Protection Act (NEPA) resulting in an Environmental Impact Statement (EIS) and review under the California Environmental Quality Act (CEQA) resulting in an Environmental Impact Report (EIR). Originally, the Authority worked with the City's Planning Department staff and the U.S. Navy to produce a joint EIR/EIS for the disposal and reuse of the Base. However, when the Authority expressed concerns to the Navy about the adequacy of the joint document as it related to CEQA, the Navy was unwilling to make changes to the joint document necessary for CEQA compliance. Therefore, the Authority, on June 14, 2000, determined it was in the Authority's best interest to complete a programmatic EIR independent of the Navy and authorized the issuance of a Request for Proposals (RFP) for environmental consulting services related to the preparation of a programmatic EIR. On March 14, 2001, the Authority determined that URS was the superior respondent to the RFP and authorized the executive director to execute a contract with URS to complete the programmatic EIR for the Base for an amount not to exceed \$300,000. On July 16, 2003, the contract was amended to extend the term through December 31, 2003 and increase the total amount payable under the contract to \$381,796. On February 11, 2004, the Authority authorized an extension of the term of the contract through June 30, 2004.

URS, under direction of the office of Major Environmental Analysis of the San Francisco Planning Department, continues to work on the EIR. The time required to complete the response to comments has been more lengthy than anticipated. The proposed contract extension will allow URS to continue to perform its scope of work and complete the CEQA review required to support the conveyance of former Naval Station Treasure Island from the Navy to the City and County of San Francisco. The amendment does not change the scope of services, budget or any other terms of the contract. Any future amendment to the scope of work or the amount of the contract will be subject to the approval of the Authority Board.

RECOMMENDATION

Staff recommends approval of the contract extension for an additional six months through December 31, 2004.

EXHIBIT

A Fifth Amendment to Contract with URS

1 [Authorizing an extension to the URS Contract]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE
3 CONTRACT WITH URS TO EXTEND THE TERM OF THE CONTRACT FOR AN
4 ADDITIONAL SIX MONTHS FOR THE PREPARATION OF A PROGRAMMATIC
5 ENVIRONMENTAL IMPACT REPORT FOR THE TRANSFER OF FORMER NAVAL
6 STATION TREASURE ISLAND.

7 WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed
8 Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a
9 nonprofit public benefit corporation known as the Treasure Island Development Authority (the
10 "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction,
11 rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for
12 the public interest, convenience, welfare and common benefit of the inhabitants of the City
13 and County of San Francisco; and,

14 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
15 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
16 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority
17 as a redevelopment agency under California redevelopment law with authority over the Base
18 upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the
19 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
20 administer the public trust for commerce, navigation and fisheries as to such property; and,

21 WHEREAS, The conveyance and redevelopment of the Base requires environmental
22 review under the National Environmental Protection Act (NEPA) resulting in an Environmental
23 Impact Statement (EIS) and review under the California Environmental Quality Act (CEQA)
24 resulting in an Environmental Impact Report (EIR); and,



1 WHEREAS, The Authority, working with the City's Planning Department Staff, and the
2 United States Navy have been working together to produce a joint EIR/EIS for the disposal
3 and reuse of the Base; and,

4 WHEREAS, Staff reviewed multiple drafts of the joint document and expressed
5 concern to the Navy about the adequacy of the document from a CEQA perspective; and

6 WHEREAS, The Navy is unwilling to make changes to the joint document necessary
7 for CEQA compliance; and,

8 WHEREAS, The Authority, in conjunction with City Staff determined that it is in the
9 Authority's best interest to complete an programmatic EIR independent of the Navy; and

10 WHEREAS, On June 14, 2000, the Authority authorized the issuance of a Request for
11 Proposals (RFP) for environmental consulting services related to the preparation of a
12 programmatic EIR; and,

13 WHEREAS, the Authority received three responses to the RFP and a selection
14 committee determined that URS was the superior respondent based on their project
15 approach, understanding of the assignment, and composition and experience of the team;
16 and

17 WHEREAS, On March 14, 2001, the Authority authorized staff to execute a contract
18 with URS to complete the programmatic EIR for the Base; and

19 WHEREAS, On July 16, 2003, the Authority amended the Scope of Work of the
20 contract to (i) reflect delays in the project schedule; (ii) include additional analysis for select
21 resource areas; and (iii) provide for the review of public comments made during the Navy's
22 EIS process and on February 11, 2004 the term of the contract was extended through June
23 30, 2004; and

24 WHEREAS, The Authority wishes to extend the term of the contract for an additional
25 six months for the reasons set forth in the staff summary; now, therefore, be it

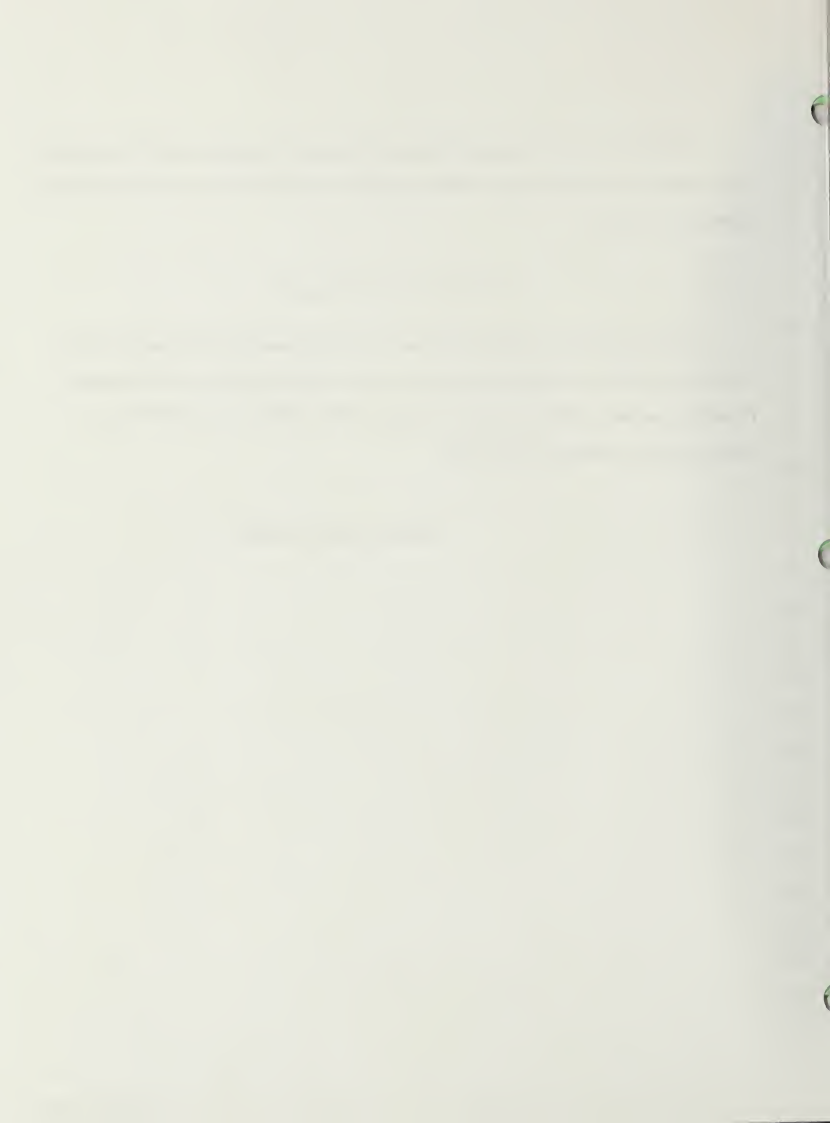


RESOLVED, That the Authority hereby authorizes the Executive Director to execute an amendment to the contract with the URS Corporation to extend the term of the contract for an additional six months.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 9, 2004.

William Fazande, Secretary





**TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO**

FIFTH AMENDMENT

THIS FIFTH AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between URS Corporation, a Nevada corporation dba URS Corporation Americas, ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated March 1, 2001 between Contractor and Authority, as amended by a First Amendment dated July 1, 2002, a Second Amendment dated April 1, 2003, a Third Amendment dated January 1, 2004, and a Fourth Amendment dated April 1, 2004.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2001 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2001 to December 31, 2004.

3. **Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

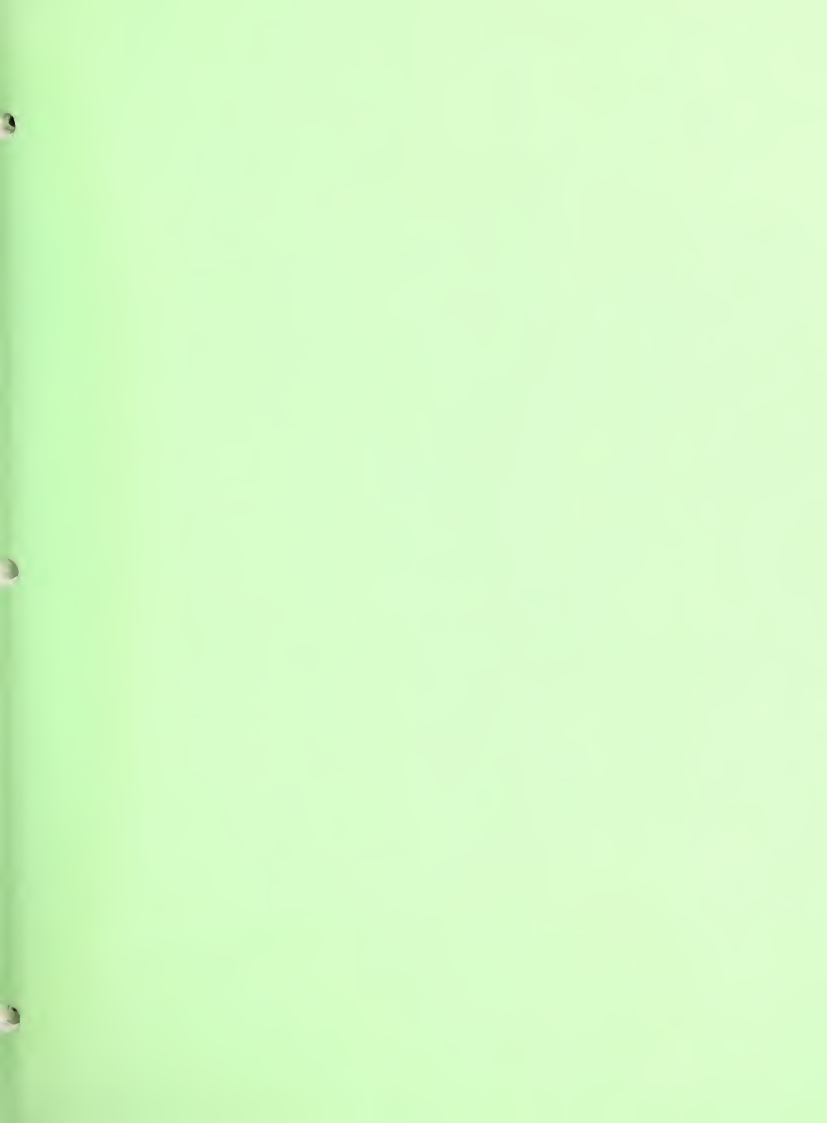
By _____
Deputy City Attorney

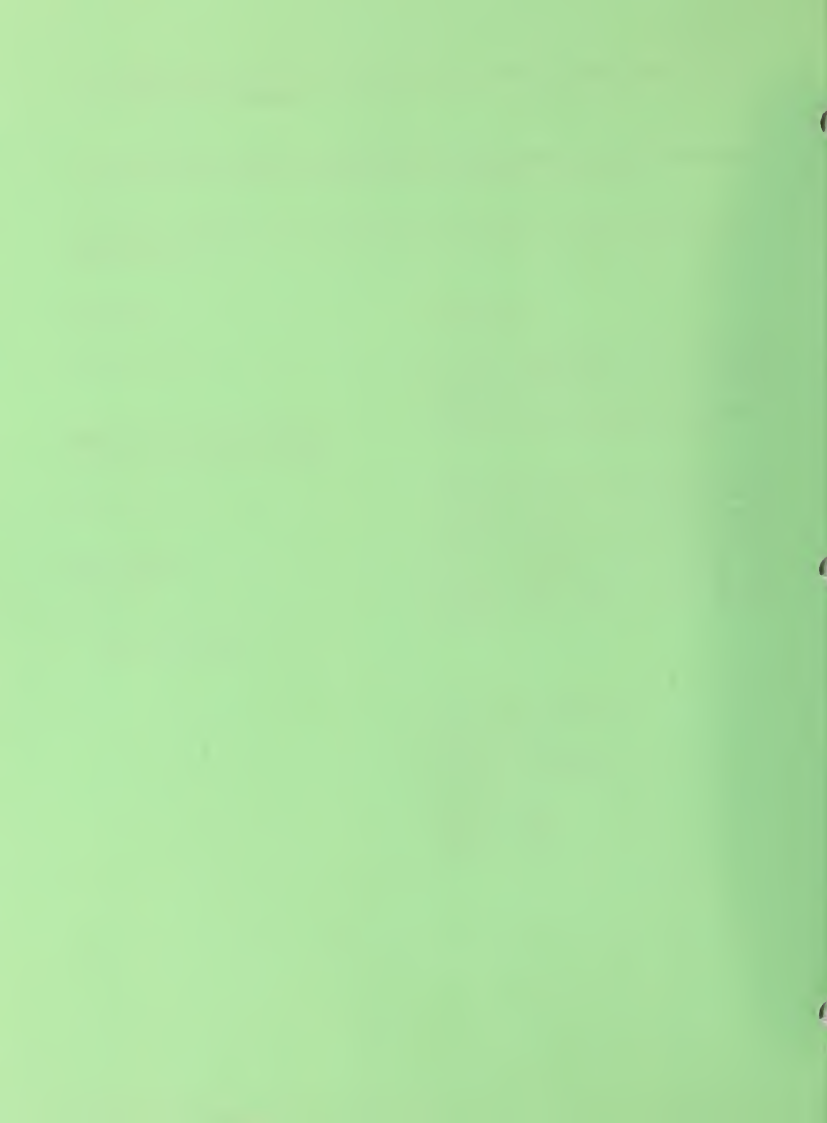
CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Denise Heick, Vice President
URS Corporation
221 Main Street Suite 600
San Francisco CA 94105-1917
(415) 896-5858
FEIN: 94-1716908
Vendor No: 19103





TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
to Extend the Term of the Contract with Seifel
Consulting Inc. for an Additional Twelve Months
(Action Item).

Agenda Item No. 76
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

In July 1998, the Authority issued a Request for Proposals for Consultant Services to assist the Authority with preparation of an Economic Development Conveyance Application and a Treasure Island Redevelopment Plan. A group of consultants, headed by the Sedway Group, was the successful respondent. Seifel Consulting was the Sedway team member charged with redevelopment plan preparation. Work on the redevelopment plan was interrupted when the Navy was unable to meet its schedule to deliver a combined EIR/EIS, forcing the Authority to undertake direct preparation of an EIR (a certified EIR is a required part of redevelopment plan adoption). In view of the work Seifel Consulting had already performed and its related institutional knowledge, on August 14, 2002, the Authority awarded a contract to complete the redevelopment plan to Seifel Consulting for the not-to-exceed amount of \$130,000. On February 12, 2004, the Authority approved an extension to the term of the contract through June 30, 2004.

As previously discussed with the Authority Board, the preparation of the redevelopment plan and related documents should be closely integrated with the detailed land use planning process currently underway. Staff is working with the Primary Developer, regulatory agencies and the Treasure Island/Yerba Buena Island Citizens Advisory Board to revise and refine the conceptual land use plan. Once that work reaches an appropriate level of design, staff will need to re-engage the services of Seifel Consulting to complete the redevelopment planning process.

The current contract will expire on June 30, 2004. The proposed contract extension will allow staff to continue to work with Seifel Consulting during the land planning process and to refine the scope of work necessary to complete the preparation and adoption of a redevelopment plan. This contract amendment does not change the scope of services, budget or any other terms of the contract. Any future amendment to the scope of work or the amount of the contract will be subject to the approval of the Authority Board.

RECOMMENDATION

Staff recommends approval of the contract extension through June 30, 2005.

EXHIBIT

- A Second Amendment to Contract with Seifel Consulting Inc.

1 [Amending the contract with Seifel Consulting to Extend Term]

2 **AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SECOND**
3 **AMENDMENT TO THE CONTRACT WITH SEIFEL CONSULTING INC. TO EXTEND**
4 **THE TERM OF THE CONTRACT FOR CONSULTING SERVICES RELATED TO THE**
5 **ESTABLISHMENT OF A REDEVELOPMENT PROJECT AREA FOR FORMER**
6 **NAVAL STATION TREASURE ISLAND FOR AN ADDITIONAL TWELVE (12)**
7 **MONTHS.**

8 WHEREAS, former Naval Station Treasure Island is a military base located on
9 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently
10 owned by the United States of America ("the Federal Government"); and,

11 WHEREAS, Treasure Island was selected for closure and disposition by the
12 Base Realignment and Closure Commission in 1993, acting under Public Law 101-510,
13 and its subsequent amendments; and,

14 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No.
15 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit
16 public benefit corporation known as the Treasure Island Development Authority (the
17 "Authority") to act as a single entity focused on the planning, redevelopment,
18 reconstruction, rehabilitation, reuse and conversion of the Base for the public interest,
19 convenience, welfare and common benefit of the inhabitants of the City and County of
20 San Francisco; and,

21 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
22 Section 33492.5 of the California Health and Safety Code, and added Section 2.1 to
23 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i)
24 designated the Authority as a redevelopment agency under California redevelopment
25 law with authority over the Base upon approval of the City's Board of Supervisors, and

The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed.

The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research.

The fourth part of the document discusses the implications of the findings for future research and practice. It highlights the need for further investigation into the issues identified in the study.

The fifth part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of the research and the need for continued efforts to improve the quality of financial reporting.

The sixth part of the document includes a list of references and a bibliography. It cites the various sources of information used in the study and provides a comprehensive overview of the relevant literature.

The seventh part of the document contains a list of appendices and a glossary. It provides additional information and definitions that are relevant to the study.

The eighth part of the document includes a list of footnotes and a list of figures. It provides further details and clarifications for the information presented in the main text.

1 (ii) with respect to those portions of the Base which are subject to the Tidelands Trust,
2 vested in the Authority the power to administer the public trust for commerce, navigation
3 and fisheries as to such property; and

4 WHEREAS, The Board of Supervisors approved the designation of the Authority
5 as a redevelopment agency for Treasure Island in 1997; and,

6 WHEREAS, The Authority issued a Request for Proposals ("RFP") for consultant
7 services to assist the Authority in the preparation of an Economic Development
8 Conveyance (EDC) Application and the creation and adoption of a redevelopment plan
9 for former naval station Treasure Island on July 15, 1998; and

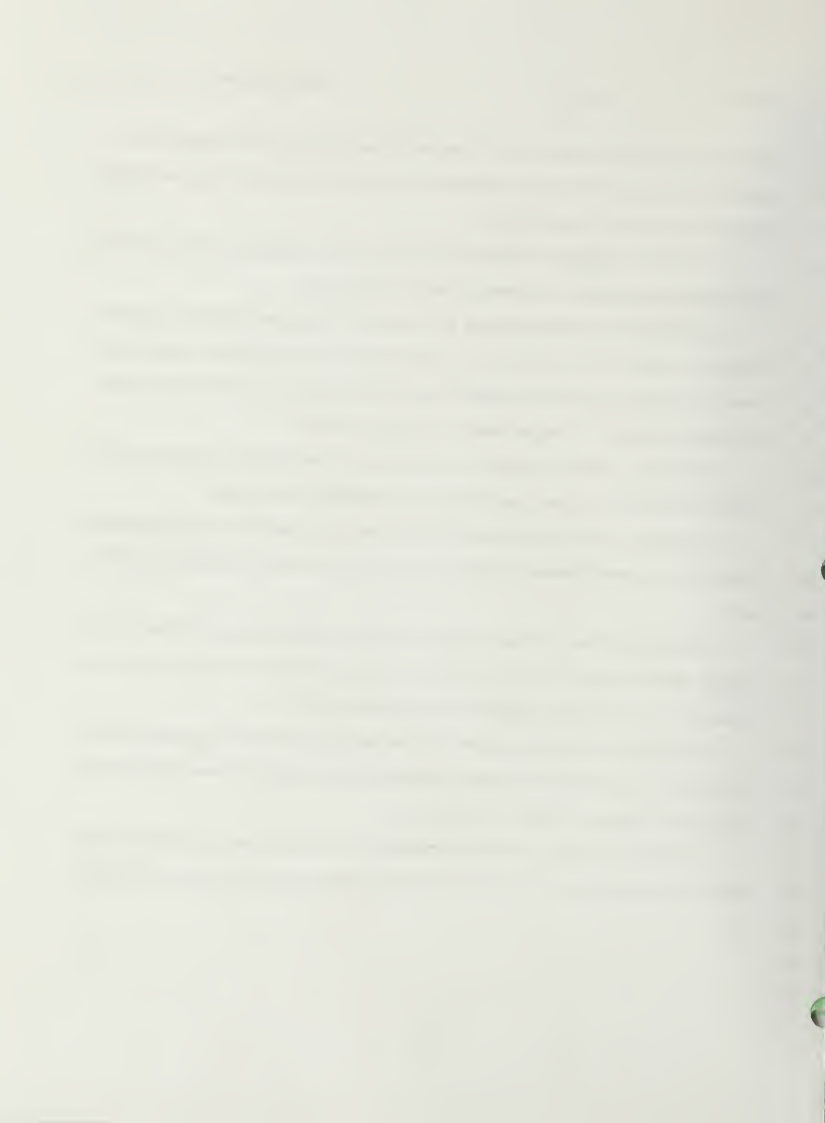
10 WHEREAS, Seifel Consulting Inc. responded to the RFP as a member of the
11 Sedway Group team to provide redevelopment consulting services; and,

12 WHEREAS, The Authority authorized the executive director to execute a contract
13 with the Sedway team because Sedway was the highest ranked respondent to the RFP;
14 and

15 WHEREAS, The EDC application has been completed as specified in the
16 contract, but the scope of work to complete the Redevelopment Plan was delayed due
17 to delays in the Navy's environmental review process; and,

18 WHEREAS, The Authority authorized the executive director to execute a contract
19 to complete the redevelopment planning process for an amount not-to-exceed \$129,600
20 with Seifel Consulting on August 14, 2002; and

21 WHEREAS, there is a need to coordinate the redevelopment planning process
22 with the land planning process which is currently underway with the Primary Developer;
23 and
24
25



1 WHEREAS, The contract with Seifel Consulting, Inc. will expire on June 30,
2 2004, and the Authority wishes to extend the contract for an additional twelve (12)
3 months to continue the redevelopment planning process; now therefore be it

4 RESOLVED, That the Authority hereby authorizes the executive director to
5 amend the contract with Seifel Consulting to extend the term of the contract for an
6 additional twelve (12) months, to enable Seifel Consulting to complete its work assisting
7 the Authority in the creation and adoption of a redevelopment plan for former naval
8 station Treasure Island.

9
10 ***CERTIFICATE OF SECRETARY***

11
12 *I hereby certify that I am the duly elected and acting Secretary of the*
13 *Treasure Island Development Authority, a California nonprofit public benefit*
14 *corporation, and that the above Resolution was duly adopted and approved by*
15 *the Board of Directors of the Authority at a properly noticed meeting on June 9,*
16 *2004.*

17
18
19 _____
20 William Fazande, Secretary
21
22
23
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RECYCLED PAPER MADE FROM 20% POST CONSUMER WASTE

**TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO**

SECOND AMENDMENT

THIS SECOND AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between Seifel Consulting, Inc. ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated July 1, 2002 between Contractor and Authority, as amended by a First Amendment dated January 1, 2004.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from July 1, 2002 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from July 1, 2002 to June 30, 2005.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

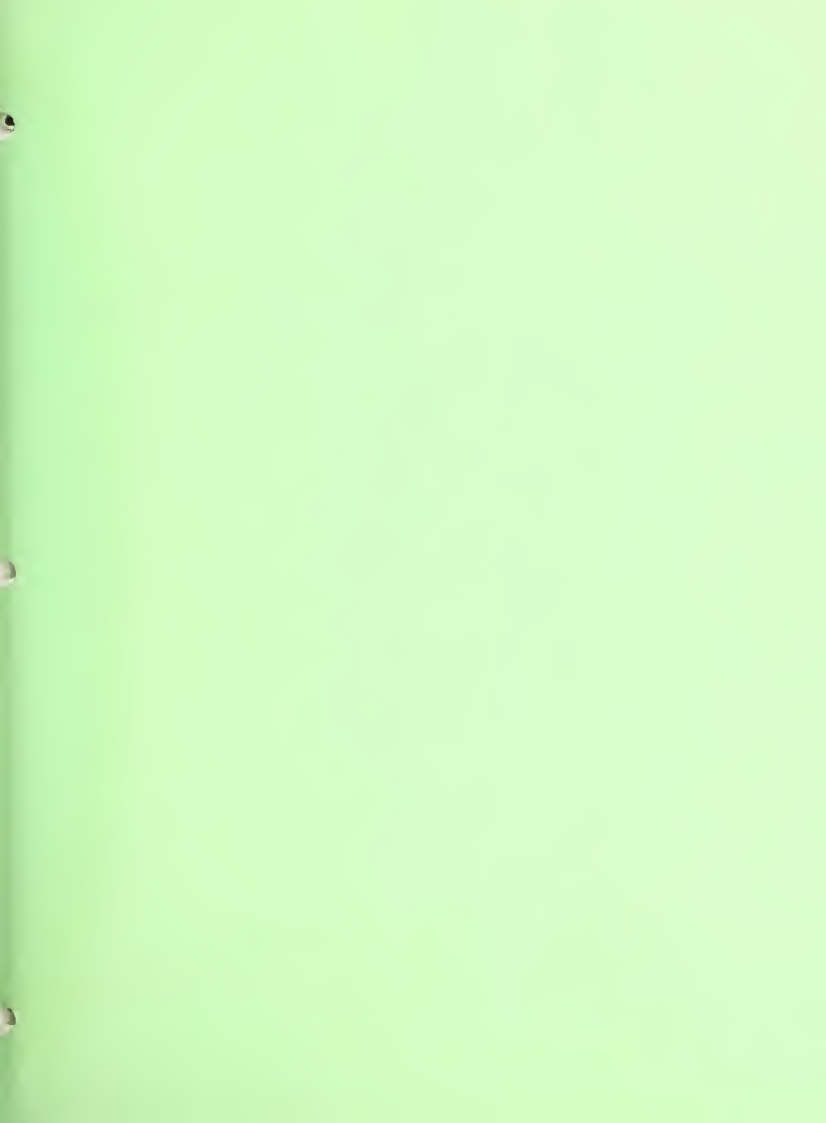
By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Elizabeth Seifel, President
Seifel Consulting Inc.
1388 Sutter Street Suite 520
San Francisco, CA 94109-5452
FEIN: 94-3225313
Vendor No: 32122





AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
to Extend the Term of the Contract with
CH2M Hill for an Additional Twelve Months
(Action Item)

Agenda Item No. 7H
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

In December 2002, the Authority formally requested the Navy commence negotiating an "Early Transfer" of former Naval Station Treasure Island ("NSTI") to the Authority pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and the Defense Environmental Restoration Program ("DERP"). Under the DERP, the Navy is authorized to enter into an agreement with local agencies, such as the Authority, to carry out aspects of the Navy's remedial obligations with funds provided by the Navy after an early transfer by FOSET. The terms for transferring the Navy's remedial obligations to the Authority, including the amount of funds to be made available for investigation and remediation of contamination at the base, will be set forth in an Environmental Services Cooperative Agreement ("ESCA"), to be negotiated between the Navy and the Authority.

In March 2003, the Authority issued a Request for Qualifications ("RFQ") for a guaranteed fixed-price contractor to assist the Authority in negotiations and implementation of an Early Transfer of former Naval Station Treasure Island from the U.S. Navy. A selection committee concluded that the most qualified Candidate was CH2M HILL and on May 14, 2003, the Authority authorized the execution of a contract for environmental engineering and remediation services in a not-to-exceed amount of \$302,500 with a term expiration of June 30, 2004.

The original contract with CH2M HILL envisioned the schedule for the Early Transfer negotiations being completed by June 30, 2004. However, as the Authority Board has been briefed in open and closed sessions, negotiations with the Navy for an Early Transfer of former NSTI remain on-going. Consequently, the proposed contract extension will allow staff to continue to work with CH2M HILL in negotiating an Early Transfer with the Navy. This amendment does not change the scope of services, budget or any other terms of the contract.

RECOMMENDATION

Staff recommends approval of the contract extension through June 30, 2005.

EXHIBIT

A First Amendment to Contract with CH2M HILL

1 **[Authorizing a twelve month extension to the contract with CH2M Hill]**

2
3 **AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE CONTRACT WITH CH2M**
4 **HILL TO EXTEND THE TERM THEREOF FOR AN ADDITIONAL TWELVE (12) MONTHS.**
5

6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America ("the Federal Government"); and,

9 WHEREAS, The Base was selected for closure and disposition by the Base.
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
21 Authority as a redevelopment agency under California redevelopment law with authority over
22 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
23 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
24 to administer the public trust for commerce, navigation and fisheries as to such property; and,
25



1 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private
2 ownership, generally requires that Tidelands Trust property be accessible to the public and
3 encourages public-oriented uses of Trust property that, among other things, attract people to
4 the waterfront, promote public recreation, protect habitat and preserve open space; and,

5 WHEREAS, In December 2002, the Authority formally requested the Navy commence
6 negotiating an "Early Transfer" of former Naval Station Treasure Island ("NSTI") to the
7 Authority pursuant to the Comprehensive Environmental Response, Compensation and
8 Liability Act ("CERCLA") and the Defense Environmental Restoration Program ("DERP"); and,

9 WHEREAS, Under the DERP, the Navy is authorized to enter into an agreement with
10 local agencies, such as the Authority, to carry out aspects of the Navy's remedial obligations
11 with funds provided by the Navy after an early transfer by FOSET; and,

12 WHEREAS, The terms for transferring the Navy's remedial obligations to the Authority
13 including the amount of funds to be made available for investigation and remediation of
14 contamination at the base, will be set forth in an Environmental Services Cooperative
15 Agreement ("ESCA"), to be negotiated between the Navy and the Authority; and,

16 WHEREAS, To ensure that the Authority can complete investigation and remediation of
17 the Base, as contemplated by the ESCA and the Consent Agreement (the "Remediation"), the
18 Authority desires to enter into a guaranteed fixed-price ("GFP") contract with an environmental
19 engineering and remediation contractor (the "Contractor") to undertake the Remediation; and,

20 WHEREAS, On February 12, 2003, the Authority authorized a contract with Geomatrix
21 to assist in preparing a Request for Qualifications ("RFQ") for a GFP Contractor; and,

22 WHEREAS, On March 12, 2003, the Authority authorized the Executive Director to
23 issue the RFQ; and,

24 WHEREAS, On March 17, 2003, the RFQ was issued to approximately 65 interested
25 parties, and a Supplement to the RFP was issued on April 8, 2003; and,



1 WHEREAS, On April 22, 2003, four Statements of Qualifications ("SOQ") were
2 received in the TIDA offices; and,

3 WHEREAS, On May 5, 2003, a Selection Committee comprised of staff from TIDA, the
4 Department of Public Works, the Mayor's Office of Economic Development, and the Port of
5 San Francisco evaluated the SOQs and conducted oral interviews of all four Candidates; and,

6 WHEREAS, The Selection Committee rated CH2M HILL as the most qualified
7 candidate to perform the scope of work set forth in the RFQ; and,

8 WHEREAS, Under the terms of the contract for Phases I and II, CH2M HILL will be
9 required to, among other things, work with the Authority staff and consultants and meet and
10 consult with the Navy, regulators and other interested parties, to prepare a cost estimate and
11 scope of work for the remediation effort culminating in the preparation of an initial cost
12 proposal to the Authority for the scope of work; assist the Authority in negotiating the terms
13 and language of an ESCA, Consent Agreement and insurance policies with the relevant
14 parties; and negotiate a GFP contract with the Authority, including satisfactory environmental
15 insurance; and,

16 WHEREAS, Upon successful completion of Phase II, it is anticipated that CH2M HILL
17 will enter into a separate GFP contract with the Authority for Phase III to undertake and
18 complete the remediation program, including obtaining regulatory approval of all necessary
19 closure documents, close coordination of activities with the Authority and the Developer, and
20 community outreach, (possibly through the RAB) designed to provide public review, input, and
21 comment on the remediation effort; and,

22 WHEREAS, On March 12, 2003, the Authority authorized a contract with CH2M HILL
23 for Phases I and II of the environmental remediation services in support of an early transfer for
24 former Naval Station Treasure Island for an amount not to exceed \$302,500; and,



1 WHEREAS, The Authority wishes to extend the term of such contract by an additional
2 twelve (12) months; now therefore be it

3 RESOLVED, That the Authority hereby authorizes the Executive Director to execute an
4 amendment to the professional services contract with CH2M Hill to extend the term thereof by
5 an additional twelve (12) months.
6
7

8 **CERTIFICATE OF SECRETARY**
9

10 *I hereby certify that I am the duly elected and acting Secretary of the Treasure*
11 *Island Development Authority, a California nonprofit public benefit corporation, and*
12 *that the above Resolution was duly adopted and approved by the Board of Directors of*
13 *the Authority at a properly noticed meeting on June 9, 2004.*
14

15 _____
16 William Fazande, Secretary
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**TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO**

FIRST AMENDMENT

THIS FIRST AMENDMENT (this "Amendment") is made as of July 1, 2004, in San Francisco, California, by and between CH2M Hill Constructors, Inc., a Delaware corporation, ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated May 14, 2003 between Contractor and Authority.

(b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from May 14, 2003 to June 30, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from May 14, 2003 to June 30, 2005.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

James Greeley, Vice President
CH2M HILL Constructors, Inc.
115 Perimeter Place N.E. Suite 700
Atlanta, GA 30346
(770) 604-9095
FEIN: 84-1230545
Vendor No: 62917



TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 7I

June 9, 2004

Subject: Resolution authorizing the Executive Director to Execute An Amendment to the Sublease with City and County of San Francisco Department of Aging and Adult Services for the use of Room 21 in Building 1 on a Month-to-Month Basis Extending the Term Through December 31, 2005 and Establishing Rent at \$500.00 per Month Payable on an Annual Basis. (Action Item)

Staff Contact: Annemarie Conroy, Executive Director
Tina Pasco-Sanchez, Project Administrator
(415) 274-0660

SUMMARY OF PROPOSED ACTION

Staff requests authorization to enter into a Third Amendment with the Department of Aging & Adult Services ("DAAS") to extend the term for eighteen months to expire on December 31, 2005 and accept Rent on an annual basis for use of Room 21 in Building 1 as storage space.

DISCUSSION

The Executive Director first entered into the Sublease with the DAAS in August 2001 for a six-month term. Under the Authority's Rules and Procedures for the transfer of Real Property, continuation of the sublease on a month-to-month basis for a twelve month period requires Authority approval. The Authority has since approved two separate amendments, the First on February 13, 2002 extending the term for 12 months and the Second on March 12, 2003 extending the term through June 30, 2004.

The sublease provides for use of a small room in Building 1 by the Department of Aging and Adult Services. The space is used for storage of personal property of conservators and estates, generally consisting of files and paper goods, books, and personal mementos, and for no other purpose. Room 21 is approximately 500 square feet and is located in the basement of Building 1.

Under the Sublease, Rent is to be collected on the First day of each month, however, DAAS work orders the total rental payments of \$6,000 on an annual basis. This Third Amendment requests authorization to extend the term through December 31, 2005 and approve rent payment at \$500 per month on an annual basis.

RECOMMENDATION

Staff recommends approval of the resolution authorizing the Executive Director to continue the sublease with the Department of Aging & Adult Services to extend the term on a month-to-month through December 31, 2005 and to accept Rent payments on an annual basis.

EXHIBITS

A Third Amendment to Sublease with Department of Aging and Adult Services

1 [Amending the Sublease of Building 1, Room 21]

2 **Authorizing the Executive Director to amend the Sublease for Building 1, Room 21**
3 **with the San Francisco Department of Aging and Adult Services to extend the term**
4 **through December 31, 2005, terminable by either party on 30-days written notice, and**
5 **rent at \$500.00 per month payable on an annual basis.**

6
7 **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended
8 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
9 Chapter 1333 of the Statutes of 1968 (the Act"), the California Legislature (i) designated the
10 Authority as a redevelopment agency under California redevelopment law with authority
11 over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those
12 portions of the Base which are subject to the public trust for commerce, navigation and
13 fisheries, (the "Tidelands Trust"), vested in the Authority the authority to administer the
14 Tidelands Trust as to such property; and
15

16
17 **WHEREAS**, The Tidelands Trust prohibits the sale of Tidelands Trust property into
18 private ownership, generally requires that Tideland Trust property be accessible to the
19 public and encourages public oriented uses of trust property that among other things,
20 attract people to the waterfront, promote public recreation, protect habitat and preserve
21 open space; and,

22
23 **WHEREAS**, The Board of Supervisors approved the designation of the Authority as
24 a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated
25 February 6, 1998; and



1
2 **WHEREAS**, On August 9, 2001, the Authority's Executive Director, acting under
3 Section 10 of the Authority's Rules and Procedures for the Transfer and Use of Real
4 Property, adopted by the Authority on March 11, 1998 (the "Transfer Rules"), entered into a
5 month-to-month sublease (the "Sublease") attached as Exhibit A, with the City and County
6 of San Francisco acting by and through its Department of Real Estate on behalf of the San
7 Francisco Department of Aging and Adult Services ("Subtenant") for the use of Room 21
8 located in Building 1 (the "Initial Premises") for storage space at a rental rate of Five
9 Hundred Dollars (\$500.00) per month; and
10

11 **WHEREAS**, Under Section 10 of the Transfer Rules, even a month-to-month
12 sublease has to be separately approved by the Authority if the cumulative term of such
13 sublease exceeds six months and the six month term has expired; and
14

15 **WHEREAS**, On February 13, 2002, the Authority approved the First Amendment to
16 extend the term of the Sublease through January 31, 2003; and
17

18 **WHEREAS**, On March 12, 2003, the Authority approved the Second Amendment to
19 extend the term of the Sublease through June 30, 2004; and,
20

21 **WHEREAS**, Subtenant wishes to continue to occupy the Premises under the
22 Sublease up to December 31, 2005, terminable by either party on 30-days written notice
23 with rent at \$500.00 per month payable annually; now therefore be it
24

25 **RESOLVED:** That the Board of Directors hereby approves and authorizes an
amendment to the Sublease with the City and County of San Francisco acting by and



1 through its Department of Real Estate on behalf of the San Francisco Department of Aging
2 and Adult Services to extend the term of the Sublease to December 31, 2005, terminable
3 by either party on 30-days written notice, with rent at \$500.00 per month payable on an
4 annual basis.

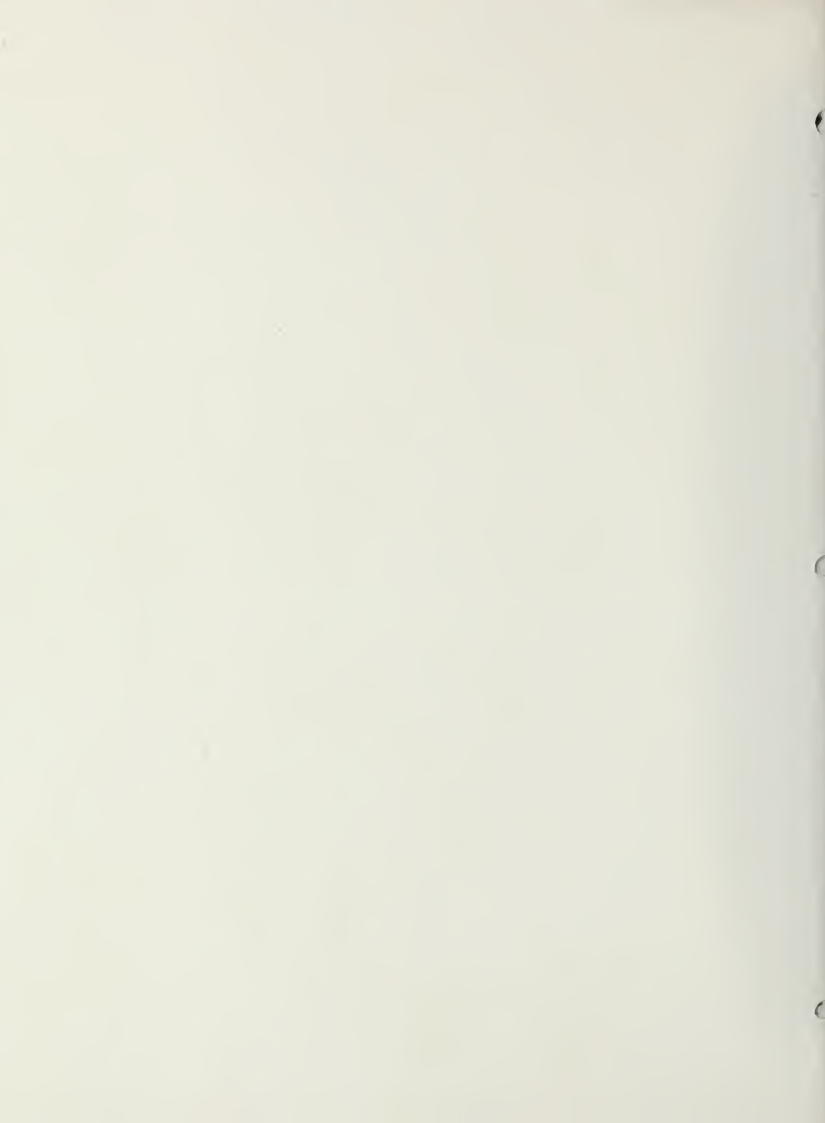
5 FURTHER RESOLVED, That the Executive Director is hereby authorized to execute
6 an amendment to the Sublease in substantially the form attached as Exhibit B.
7
8

9 **CERTIFICATE OF SECRETARY**

10 I hereby certify that I am the duly elected and acting Secretary of the Treasure
11 Island Development Authority, a California nonprofit public benefit corporation, and
12 that the above Resolution was duly adopted and approved by the Board of Directors
13 of the Authority at a properly noticed meeting on June 9, 2004.
14
15

16 _____
17 William Fazande
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**AMENDMENT TO
INTERIM SUBLEASE**

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

CITY AND COUNTY OF SAN FRANCISCO

as Subtenant

For the Sublease of

**Building 1, Room 21 at
Naval Station Treasure Island
San Francisco, California**

June __, 2004

AMENDMENT TO TREASURE ISLAND SUBLEASE

THIS AMENDMENT TO SUBLEASE (the "Amendment"), dated as of this ____ day of June, 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and City and County of San Francisco acting by and through its Director of Property on behalf of the Department on Aging and Adult Services ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

Recitals

A. On August 1, 2001, Sublandlord and Subtenant entered into that certain Interim Sublease dated August 1, 2001 (the "Sublease") under which Sublandlord sublet to Subtenant Room 21 in Building 1 (as depicted on Exhibit C, attached and hereafter referred to as the "Premises") on Treasure Island for storage purposes.

B. The Parties wish to amend the Sublease to extend the term to December 31, 2005, terminable on 30-days written notice, and to modify the rent to allow payment on an annual basis.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. Paragraph 3.1 of the Sublease is hereby amended to read as follows:

"Term of Sublease. The term of this Sublease shall commence on August 1, 2001 (the "Commencement Date") and expiring on December 31, 2005 (the "Expiration Date"), subject to Section 3.2 below or unless sooner terminated or extended pursuant to the terms of the Sublease. Either party may terminate this Sublease prior to the Expiration Date and without cause by giving the other party 30-days written notice of termination. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on September 3, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease to December 31, 2005. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on September 3, 2004."

Deleted: continue on a month to month basis

Deleted: June 30, 2004

Deleted:

2. Paragraph 4.1 of the Sublease is hereby amended to read as follows:

"Base Rent. Throughout the remainder of the Term, beginning on the date of this Amendment, Subtenant shall pay to Sublandlord Five Hundred Dollars (\$500.00) (the "Base Rent") per month. Base Rent shall be paid to the Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on an annual basis at the rate of Six Thousand Dollars (\$6,000.00) per year on

Deleted: Commencement Date



or before the sixtieth (60th) day following the first day of Subtenant's fiscal year, in advance, at the Notice Address of Sublandlord provided in Section 20.1 hereof or such other place as Sublandlord may designate in writing, if necessary, Rent shall be prorated based on a thirty (30) day month."

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Deleted: If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of

Deleted: for such fractional month

3. Except as otherwise expressly amended herein, all other terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

CITY AND COUNTY OF SAN FRANCISCO,
A municipal corporation

By: _____
Its: Director of property

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT
AUTHORITY

By: _____
Annemarie Conroy
Its: Executive Director

Approved as to Form:

Deputy City Attorney



Notes

Notes

1 [Election of Officers of the Treasure Island Development Authority.]
2

3 **Resolution approving the election of officers of the Treasure Island Development**
4 **Authority, as nominated by the Ad Hoc Nominating Committee to serve for a twelve**
5 **month term beginning July 1, 2004 and ending June 30, 2005**
6

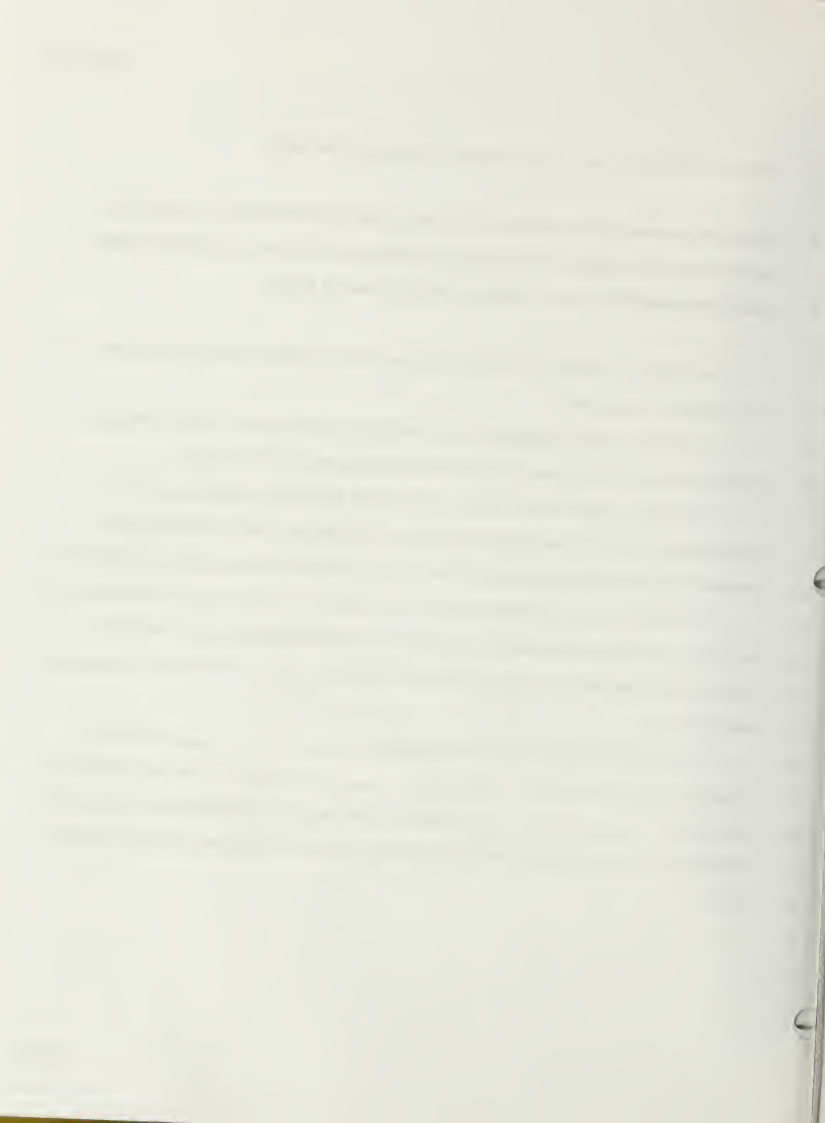
7 WHEREAS, Under the TIDA Bylaws, officers of the Board of Directors (the "Board") are
8 to be chosen annually; and,

9 WHEREAS, The TIDA Bylaws allows the Board to create one or more committees
10 consisting of two or more Directors to serve at the pleasure of the Board; and,

11 WHEREAS, At the May 12, 2004 TIDA meeting, the Board adopted a resolution
12 establishing an Ad Hoc Nominating Committee, and 3 members were appointed by the
13 President of the Board to serve as members of the TIDA Ad-Hoc Nominating Committee; and,

14 WHEREAS, This committee met on June 9, 2004 to consider and nominate Officers for
15 the TIDA Board of Directors, and the Ad Hoc Nominating Committee having reported it's
16 nominations to the full TIDA Board for consideration at it's June 9, 2004 regular meeting; now
17 therefore be it

18 RESOLVED, That the Board hereby elects _____ to serve as
19 President of the TIDA Board, _____ to serve as Vice-Chair of the TIDA
20 Board, and _____ to serve as Secretary and Chief Financial Officer of the
21 TIDA Board for the twelve (12) month period beginning July 1, 2004 and ending on June 30,
22 2005.
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William Fazande, Secretary





AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Meeting of June 9, 2004
Agenda Item # 10

Subject: Resolution Approving an Agency Agreement with the San Francisco Redevelopment Agency for the Provision of Staff Services to the Treasure Island Development Authority and the Termination of the Current Agency Agreement with the City of San Francisco

Contact/Phone: Annemarie Conroy, Executive Director
(415) 274-0660

SUMMARY OF PROPOSED ACTION:

Staff requests the Authority to adopt a resolution approving termination of the current Agency Agreement between the City of San Francisco and TIDA for the provision of staff support to TIDA and authorizing the Executive Director to enter into a new Agency Agreement with the San Francisco Redevelopment Agency to provide staff support to carry out the mission of the Treasure Island Development Authority.

DISCUSSION:

Since its inception, the Authority has not had any direct employees. TIDA has contracted with the City of San Francisco through an Agency Agreement for certain City employees (the "Project Office") to provide the staff support necessary for the Authority to fulfill its lawful purposes (the "Services"), pursuant to the terms and conditions of that certain Agency Agreement, by and between the City and the Authority dated February 1998 (the "City Agency Agreement").

The Authority is now considering hiring its own employees directly as a separate redevelopment agency under California law. To assist in that transition and to achieve certain administrative efficiencies, the current members of the Project Office are planning to become employees of the San Francisco Redevelopment Agency ("SFRA"). In that case, the Authority and the SFRA would need to enter into an agency agreement for the provision of the Services by the Project Office as agents of the Authority (the "SFRA Agency Agreement"). A substantially final form of the SFRA Agency Agreement is attached to the resolution as Exhibit A (the "SFRA Agency Agreement").

Staff believes that a transfer of employees to SFRA employment will facilitate an expeditious and smooth transition of TIDA to a stand alone status as a redevelopment agency with its own employees. Efforts with Calpers to enter into their system as an outside agency currently staffed by City employees have been lengthy, cumbersome and complicated. TIDA staff believes that the classification of current TIDA employees into the Calpers system at the SFRA will simplify the restructuring of TIDA with its own employees who will be covered under the same retirement and health benefit systems.

The key terms of the SFRA Agency are as follows:

- The SFRA, through the Project Office, will provide the Services to the Authority.
- The Authority will (i) reimburse the SFRA for one hundred percent (100%) of the salaries, overhead and fringe benefits of the Project Office (including credit for certain accrued City benefits such as accrued sick and vacation time), (ii) will pay the direct and indirect costs of the other SFRA employees who implement the SFRA Agency Agreement, and (iii) indemnify the SFRA from any claims related to the provision of the Services to the Authority.
- At least annually, the SFRA will notify the Authority of the costs of providing the Services as described above and the Authority shall include such amounts in its annual budget. If revenue and cost assumptions are met, the Authority's current budget should be adequate for the provision of the Services by the SFRA under the SFRA Agency Agreement for this fiscal year. If not, as noted in the staff summary related to the Budget, TIDA has certain other sources or revenues.
- The term is for an initial six months, month-to-month term thereafter, and terminable by either party on thirty (30) days prior notice, provided that any cumulative extension of the term of the SFRA Agency Agreement beyond one year shall require the prior approval of the Authority Board and the SFRA Commission.
- It is clearly understood that the arrangement to provide specified staff for the Project Office under the Agreement is temporary in nature until TIDA can form its own, stand alone agency directly hiring its own personnel and providing retirement and health benefits under the CalPers system.

RECOMMENDATION:

Staff recommends approval of the resolution and the authorization to enter into an Agency Agreement with the San Francisco Redevelopment Agency to provide staff to the Project Office and carry out the mission of TIDA. Prior to the effective date of the SFRA Agency Agreement, the Authority will need to terminate the City Agency Agreement.

1 [Agency Agreement with the San Francisco Redevelopment Agency]

2 **Approving an Agency Agreement with the San Francisco Redevelopment Agency for**
3 **the provision of staff services to the Treasure Island Development Authority and the**
4 **termination of the current Agency Agreement with the City and County of San**
5 **Francisco.**

6 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
7 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
8 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
9 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
10 conversion of former Naval Station Treasure Island (the "Base") for the public interest,
11 convenience, welfare and common benefit of the inhabitants of the City and County of
12 San Francisco; and,

13 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
14 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
15 Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the
16 Authority as a redevelopment agency under California redevelopment law with authority over
17 the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those
18 portions of the Base which are subject to the Tidelands Trust, vested in the Authority the
19 authority to administer the public trust for commerce, navigation and fisheries as to such
20 property; and,

21 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
22 redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated
23 February 6, 1998; and,

24 WHEREAS, Since its inception, the Authority has not had any direct employees,
25 instead relying on certain City employees (the "Project Office") to provide the staff support



1 necessary for the Authority to fulfill its lawful purposes (the "Services"), pursuant to the terms
2 and conditions of that certain Agency Agreement, by and between the City and the Authority
3 dated February, 1998 (the "City Agency Agreement"); and,

4 WHEREAS, To achieve certain administrative efficiencies while the Authority explores
5 means of hiring directly its own employees as a separate redevelopment agency under
6 California law, the current members of the Project Office are or are planning to become
7 employees of the San Francisco Redevelopment Agency ("SFRA"), and the Authority and the
8 SFRA are prepared to enter into an agency agreement for the provision of the Services by the
9 Project Office as agents of the Authority, in substantially the form attached hereto as Exhibit A
10 (the "SFRA Agency Agreement"), and,

11 WHEREAS, Under the SFRA Agency Agreement, the SFRA, through the Project
12 Office, will provide the Services to the Authority, and the Authority will (i) reimburse the SFRA
13 for one hundred percent (100%) of the salaries, overhead and fringe benefits of the Project
14 Office (including credit for certain accrued City benefits such as accrued sick and vacation
15 time), (ii) will pay the direct and indirect costs of the other SFRA employees who implement
16 the SFRA Agency Agreement, and (iii) indemnify the SFRA from any claims related to the
17 provision of the Services to the Authority; and,

18 WHEREAS, The SFRA Agency Agreement has a month-to-month term, terminable by
19 either party on thirty (30) days prior notice, provided that any cumulative extension of the term
20 of the SFRA Agency Agreement beyond one year shall require the prior approval of the
21 Authority Board and the SFRA Commission; and,

22 WHEREAS, The SFRA and the Authority are public bodies, corporate and politic,
23 organized and existing under the California Redevelopment Law (Health and Safety Code
24 Section 33000 et seq.), and in the case of the Authority, the Act, and both the Authority and
25 the Agency are independent redevelopment agencies with all of the rights and duties



1 prescribed under the Community Redevelopment Law, and in the case of the Authority, the
2 Act; and,

3 WHEREAS, The Community Redevelopment Law permits any public body to enter into
4 agreements with any other public body respecting action to be taken pursuant to any of the
5 powers granted by the Community Redevelopment Law or any other law for the purpose of
6 aiding and cooperating in the planning, undertaking, construction, or operation of
7 redevelopment projects located within the area in which it is authorized to act; now therefore,
8 be it,

9 RESOLVED, That the Authority hereby approves and authorizes the Executive Director
10 to execute the SFRA Agency Agreement, in substantially the form attached hereto, and
11 authorizes the Executive Director to enter into modifications to the SFRA Agency Agreement
12 (including, without limitation, the attachment or modification of exhibits) that do not materially
13 change the terms of the SFRA Agency Agreement, and are necessary and advisable to
14 effectuate the purpose and intent of this resolution; and be it

15 FURTHER RESOLVED, That the Authority hereby approves and authorizes the early
16 termination of the City Agency Agreement on or before the effective date of the SFRA Agency
17 Agreement.

18 CERTIFICATE OF SECRETARY

19 I hereby certify that I am the duly elected Secretary of the Treasure Island
20 Development Authority, a California nonprofit public benefit corporation, and that the
21 above Resolution was duly adopted and approved by the Board of Directors of the
22 Authority at a properly noticed meeting on June 9, 2004.

23
24
25

William Fazande, Secretary



AGENCY AGREEMENT

THIS AGENCY AGREEMENT, made and entered into as of this day of June, 2004, is by and between the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO (the "Agency"), and the TREASURE ISLAND DEVELOPMENT AUTHORITY (the "Authority").

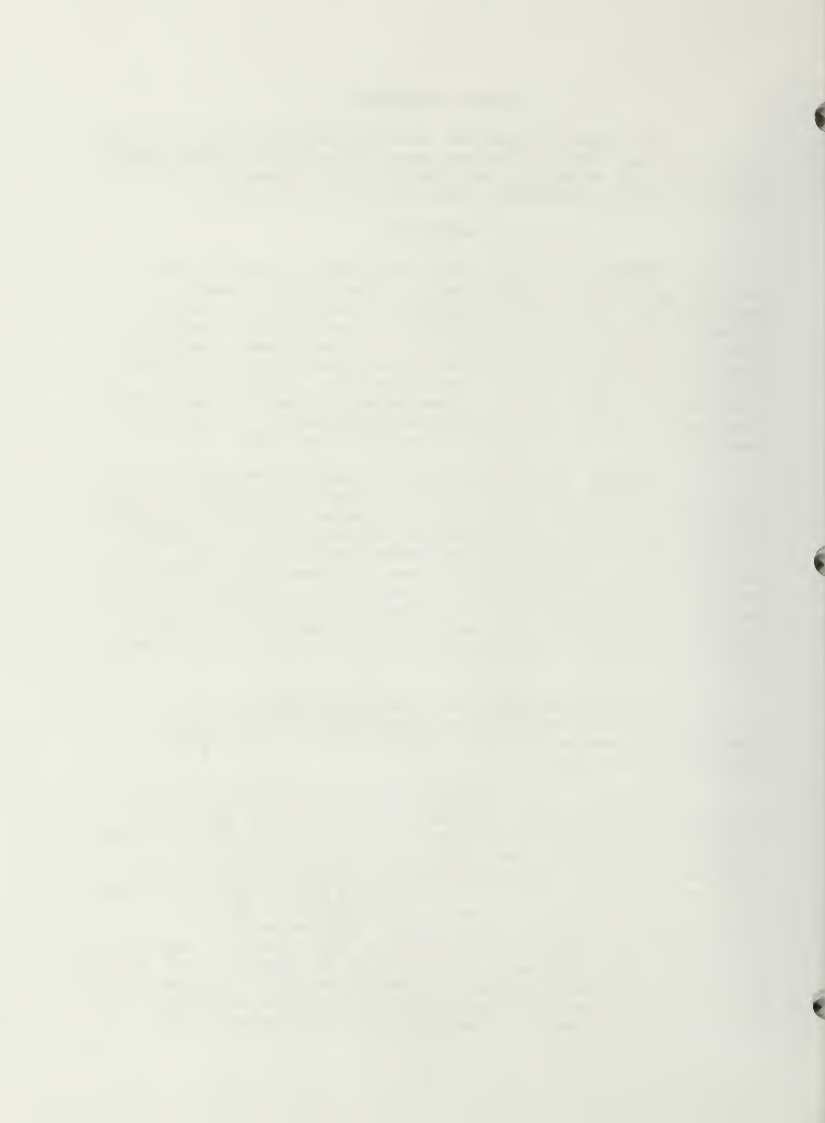
RECITALS

WHEREAS, On May 2, 1997, the Board of Supervisors of the City and County of San Francisco (the "City") passed Resolution No. 244-97-003, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority"). The purpose of the Authority is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City; and

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors (the "Board of Directors"), has the power, subject to applicable laws, to, among other things, (i) formulate, evaluate and approve goals, objectives, plans and programs and set policies consistent with the overall objectives of the City and the final reuse plan adopted for the Base regarding the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base, (ii) appoint and remove, at the pleasure of the Board of Directors, all of the Authority's officers, agents, and employees, and prescribe powers and duties for them that are consistent with law, with the Authority's Articles of Incorporation and the Bylaws, (iii)

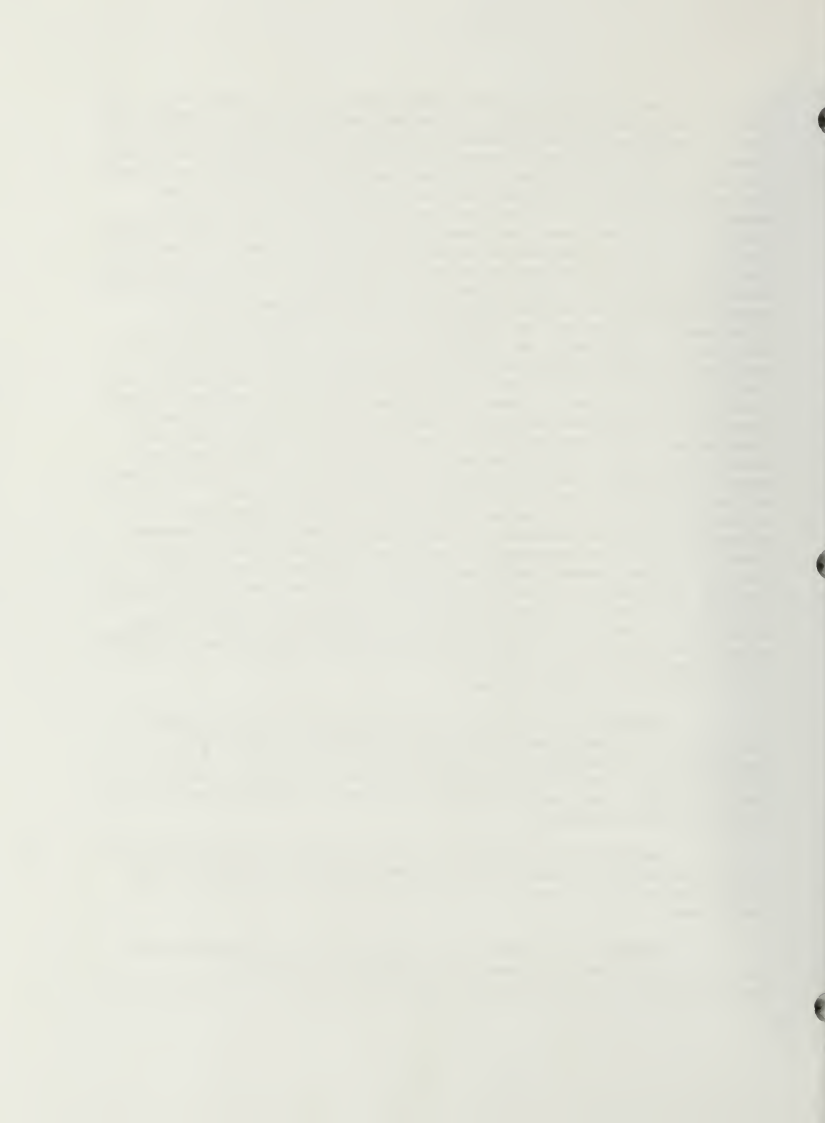


submit to the Mayor of the City and County of San Francisco (the "Mayor") and the City's Board of Supervisors an annual budget for their consideration and approve any budget modifications or fund transfers requiring the approval of the Board of Supervisors and the Mayor, (iv) establish a Citizens Advisory Committee to advise the Authority and its Directors on issues of public interest regarding the Base, (v) act as the Local Reuse Authority for planning and conveyance purposes pursuant to federal base closure law, (vi) solicit proposals regarding the development of all or portions of the Base consistent with the final reuse plan for the Base adopted by the City's Board of Supervisors, (vii) form Joint Powers Authorities and/or enter into agency agreements with governmental agencies, including without limitation, any department, commission or agency of the City, and contract with such governmental agencies for the performance of services in furtherance of and related to the purposes of the Authority, and (viii) purchase, sell, lease, exchange, transfer, assign, pledge, develop or otherwise acquire or dispose of property located on, comprising of or necessary for the operation of the Base, and approve and enter into agreements or contracts affecting the Base, including without limitation, contracts for the procurement of goods and services (including, without limitation, construction or maintenance contracts), purchase and sale agreements, option agreements, development agreements, leases, permits, grants of easements, management agreements, joint venture or partnership agreements, and agreements with the federal government of the United States of America, the State of California, the City, or any other governmental or quasi-governmental entity (collectively, "Agreements"), and, to the extent required by the Act or any other applicable law, recommend such Agreements to the Mayor and the Board of Supervisors for their respective approval; and

WHEREAS, Prior to the effective date of this Agency Agreement, the Services described in Section 2 below were provided to the Authority by employees of the City and County of San Francisco (the "City") under an agency agreement dated February 1998, and such agreement has been terminated as of the date of this agreement.

WHEREAS, The Authority and the Agency are entering into this Agreement to achieve certain administrative efficiencies while the Authority explores means of hiring directly its own employees.

WHEREAS, The Agency is a public body, corporate and politic, organized and existing under the California Redevelopment Law (Health and Safety Code Section 33000 et seq.)



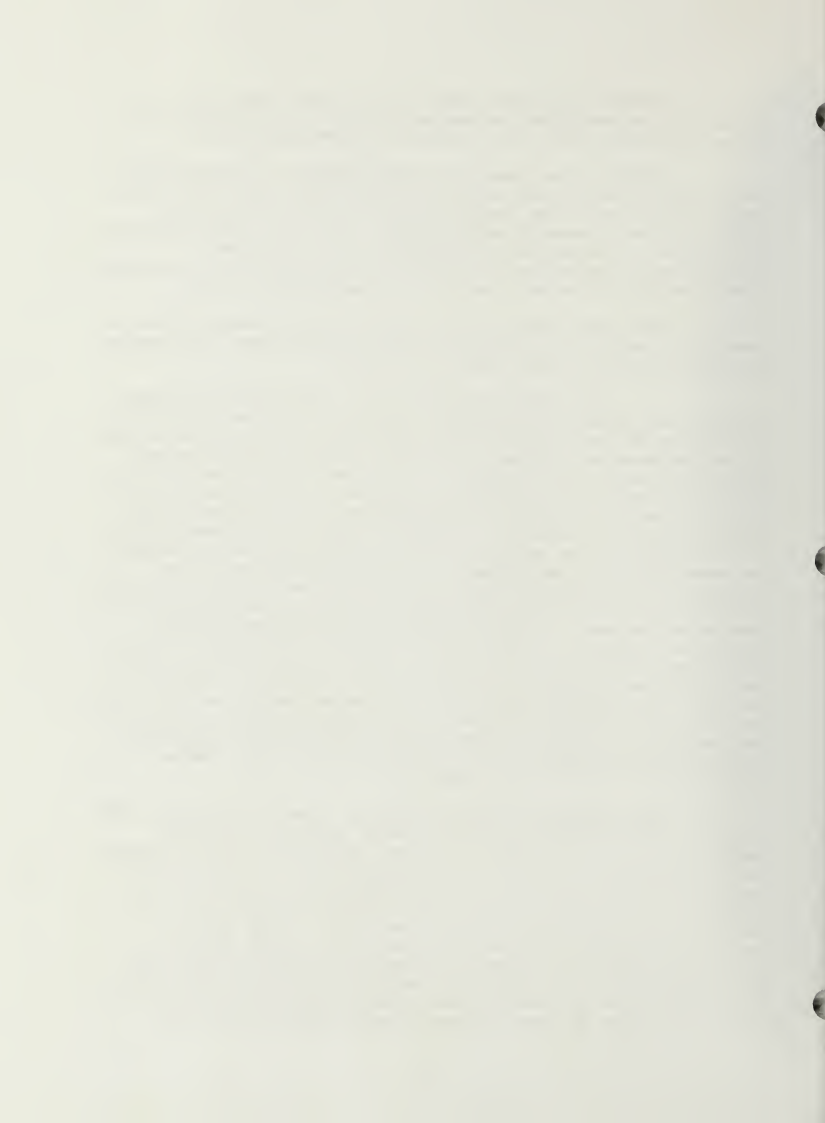
WHEREAS, Both the Authority and the Agency are independent redevelopment agencies with all of the rights and duties prescribed under the Community Redevelopment Law.

WHEREAS, The Community Redevelopment Law permits any public body to enter into agreements with any other public body respecting action to be taken pursuant to any of the powers granted by the Community Redevelopment Law or any other law for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the area in which it is authorized to act.

Now therefore, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Agency and the Authority hereby agree as follows:

1. Appointment by Authority. The Authority hereby appoints the Agency as its agent to provide services to carry out the day-to-day operations of the Authority in furtherance of its stated purposes and subject to all applicable laws and subject further to the proper exercise of the powers and duties of the Board of Directors described in Sections 1, 2 and 3 of Article V of the Authority's Bylaws, as such Bylaws may be amended from time to time (the "Bylaws"). Without limiting the generality of the foregoing, these services shall include, but not be limited to, exercising and performing the powers and duties of the President, Vice-President and Secretary of the Authority provided in the Bylaws. Notwithstanding the foregoing delegation of powers and duties, (i) the President of the Authority shall preside at meetings of the Board of Directors and shall appoint all committees of the Authority, (ii) the Vice-President of the Authority shall preside at meetings of the Board of Directors in the event the President is absent or incapacitated, and (iii) the Secretary of the Authority shall, for every resolution adopted by the Authority, execute a "Certificate of Secretary" indicating that such resolution was, in fact, duly adopted and further indicating the date of such adoption.

2. Establishment of Project Office. Agency employees from among the job classifications listed in Exhibit A attached hereto, or such other Agency employees as may be mutually agreed by the [Executive Director of the Authority] or [the Authority] and the Executive Director of the Agency, shall comprise the Treasure Island Project Office (the "Project Office") and will provide the services described in Section 1. These Agency employees will have limited term assignments (LTA) for terms consistent with this agreement and not to exceed one year and will be subject to the Personnel Policy, job classifications, applicable labor agreements, and organizational structure of the Agency. Nothing in this agreement shall confer on the LTA



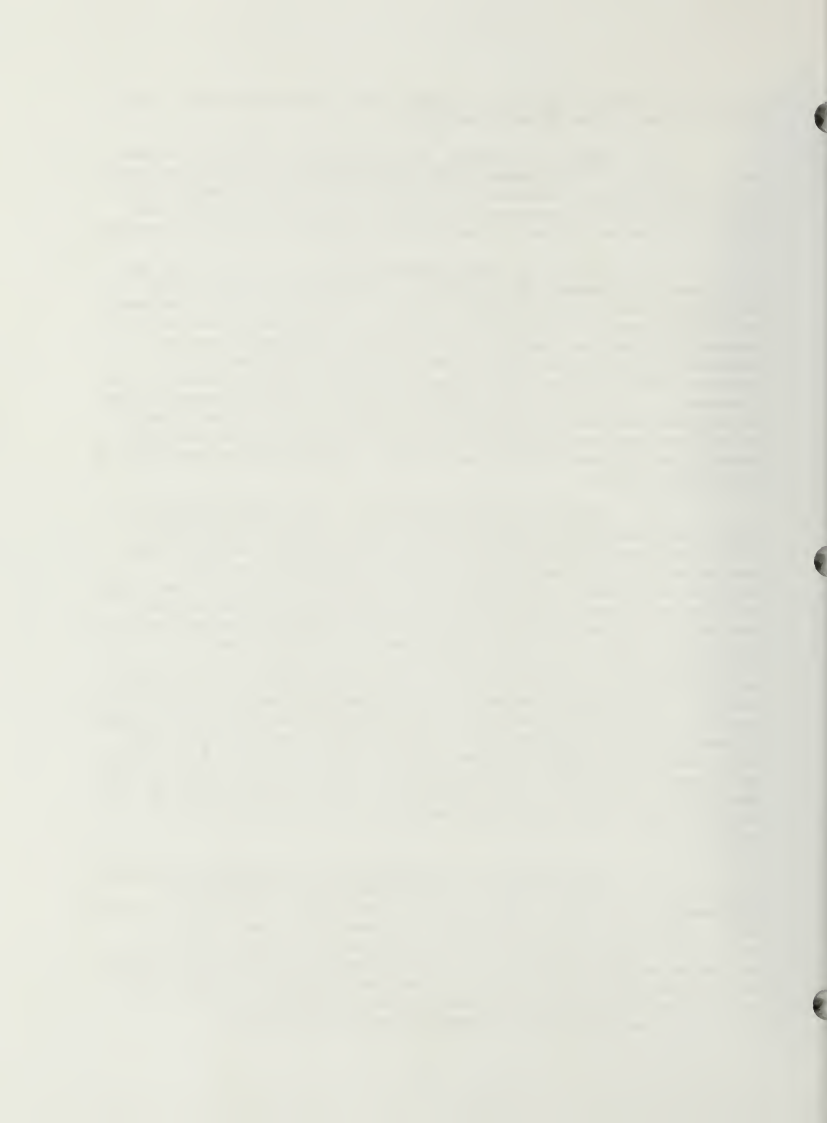
employees listed in Exhibit A rights that adversely affect the rights of any other Agency employee.

3. Agency Agreement not Exclusive. Nothing herein shall prohibit or otherwise limit the Authority's right to enter into further agency agreements and/or work order arrangements with other public agencies, including without limitation, the City, for the provision of personnel to perform certain Services.

4. Salary and Cost Reimbursement. For so long as this Agency Agreement is in effect, the Authority shall pay to the Agency one hundred percent (100%) of the salaries, overhead and fringe benefits, including without limitation payments due on separation from the Agency, of the Agency employees who are members of the Project Office and will pay the direct and indirect costs of the other Agency employees who implement this agreement. In order to provide the Authority with adequate time to prepare and submit its budget to the City, the Agency shall provide written notification to the Authority of such amounts annually as of March 1st of each year. Reimbursement shall be on a quarterly basis.

(a) Credit for City Benefits. The Agency agrees to credit any employee hired from the City to staff the Project Office, without a break in service, with the following: (1) accrued sick leave hours in an amount equivalent to the employee's accrued and unused sick leave on his or her last day of City employment; (2) accrued vacation hours in an amount equivalent to the employee's accrued and unused vacation hours on his or her last day of City employment, provided that the employee elects in writing not to receive cash in lieu of unused vacation hours on separation from City employment and releases the City in writing from any claim regarding vacation accrual or payment; (3) vacation and sick leave accrual rates based on years of service that includes years of continuous service with the City; and (4) accrued balances of any other category of accrued and unused leave time mutually agreed upon by the Authority and the Agency, subject to the limitations of state and federal law. Costs of such leave and other benefits will be borne by the Authority.

5. Applicability of Authority's Purchasing Rules and Procedures. In performing the Services under this Agency Agreement, the Agency employees who constitute the Project Office shall comply with the Authority's Bylaws and other rules, principles, and laws applicable specifically to the Authority, including without limitation, the Authority's Purchasing Policy and Procedures, dated _____, and the Authority's Rules and Procedures for Transfer and Use of Real Property, dated _____, as such may be amended from time to time.



6. Indemnity. The Authority shall indemnify, defend and hold harmless the Agency from any losses, claims, demands, judgments or liabilities (collectively, Losses) arising from the performance of the services hereunder.

7. Term . The term of this Agreement shall be for a minimum six month term and continue thereafter on a month-to-month basis, provided however, that any extension of the cumulative term of this Agreement beyond one year shall require the prior approval of the Authority's Board and the Agency's Commission and, to the extent applicable, the City's Board of Supervisors.

8. Termination. Either party may terminate this Agreement upon thirty-(30) days written notice to the other party. In the event of any liquidation or dissolution of the Authority, this Agreement shall automatically terminate upon the orderly completion of such liquidation or dissolution. The Agency will be paid any sums due under this Agreement upon termination.

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Claudine Cheng
Its: President

**REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO**

By: _____
Marcia Rosen
Its: Executive Director

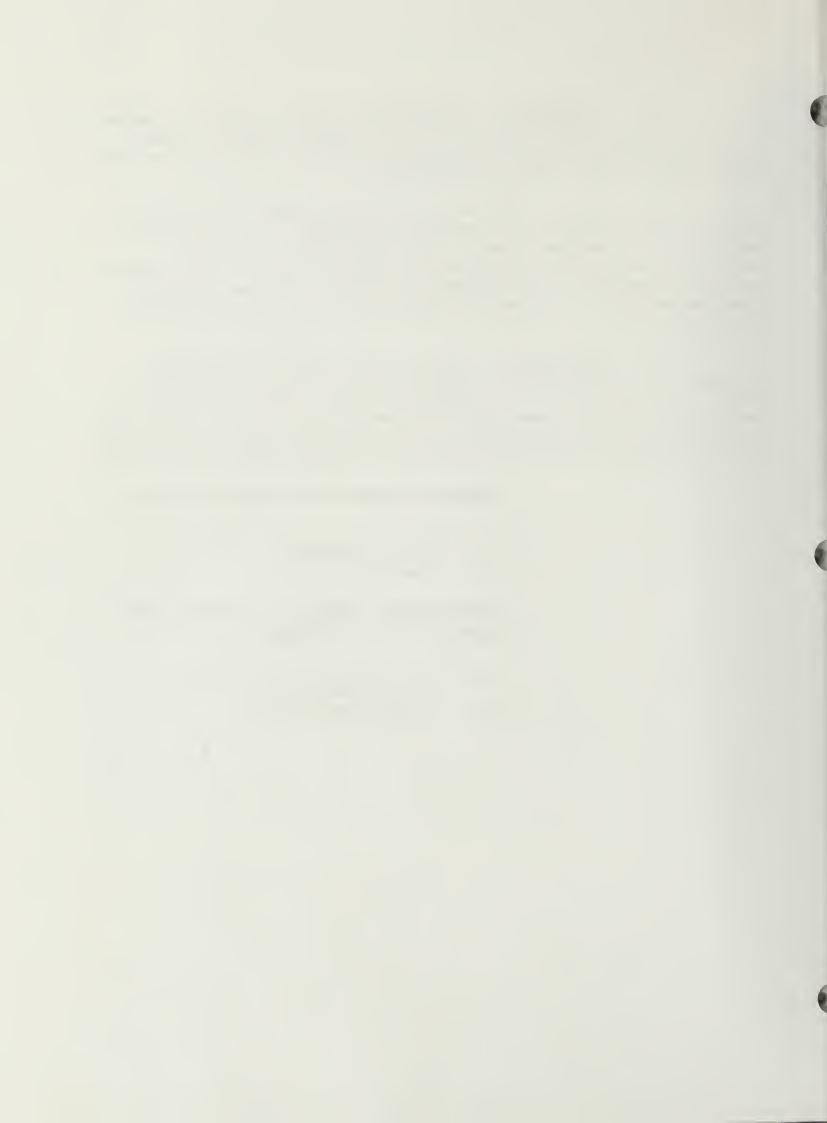


EXHIBIT A

TREASURE ISLAND PROJECT OFFICE

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Approving the Amended Budget of the
Treasure Island Development Authority
For Fiscal Year 2004-2005 (Action Item)

Agenda Item No. 11
Meeting of June 9, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

DISCUSSION

In March 2004, Authority staff presented a proposed Fiscal Year 2004-2005 budget. The Authority approved the proposed budget and that budget was forwarded to the Mayor's Office for review and inclusion in the City's budget. During April and May, the Authority budget was revised per direction from the Mayor's Office as part of the City's difficult process of submitting a balanced budget. In addition, budget figures were amended as a result of more current information regarding projected revenues and expenses for the upcoming fiscal year.

The staff summary attached to the proposed budget approved by the Authority in March included an in-depth discussion of the primary functions of the Treasure Island Project Office as well as notable budget considerations regarding revenues, expenses, capital expenditures, reserves and other items. The information presented in that staff summary is not re-iterated in this report, but is attached to this report for the Authority's information as Exhibit B. Rather, this report is intended to provide the Authority with an understanding of the changes to the Authority's budget since March. The current budget, as amended, is attached as Exhibit A and includes the figures from the proposed budget reviewed in March for comparative purposes. In addition, Exhibit A also includes a proposed work plan for the coming fiscal year in response to the requirements of Section 33606 of the California Redevelopment Law.

NOTABLE BUDGET REVISIONS

Overall, as detailed on Exhibit A, total projected revenues have been amended upwards from \$10.87 million to \$12.78 million. Total projected expenses have been amended upwards from \$10.81 million to \$12.07 million.

Revenues

- *Residential Leasing Revenues.* The treatment of the implementation of the Revenue Sharing and Consent Agreement Between the Authority and the Treasure Island Homeless Development Initiative (Sharing Agreement) was revised in the amended budget. In the March submittal, residential revenues were shown net of projected payments to TIHDI. The current budget represents gross projected residential leasing revenues paid to the Authority prior to payments to TIHDI. Payments to TIHDI per the Sharing Agreement are then reflected as an expense item in the budget.

- *Revenue Carryforward.* Authority staff had estimated a carryforward of \$350,000 from FY 2003-2004. Based on current information from the Controller's office, the projected carryforward has been revised to approximately \$1.64 million.

These changes account for the bulk of the increase in total revenues from the proposed budget approved in March (\$10.87 million) to the current amended budget (\$12.78 million). The budget also reflects minor changes to various revenue line items as a result of a review and analysis of prior revenue projections.

Expenses

- *TIHDI Sharing Agreement Expenses.* As stated previously, payments projected to TIHDI per the Sharing Agreement were previously netted out of residential revenues, but were not shown as an individual item in the budget. The estimated payments for FY 2004-2005, estimated at \$1.04 million, are now reflected in the current budget as an expense item. This change is primarily for clarity and does not have an overall impact on the balance of the budget.
- *Payments to Government Agencies.* The Authority estimates that it will owe the U.S. Navy approximately \$1.0 million associated with as yet unpaid Common Area Maintenance charges per the Cooperative Agreement. Initially, Authority staff hoped to set aside \$350,000 for this purpose, but were forced to reduce the set-aside to \$250,000 due to budget constraints. In the FY 2003-2004 budget, \$350,000 was set aside for this purpose; the cumulative encumbered set aside available to repay the charges owed the Navy will total \$600,000. The Navy has informally agreed to allow the Authority to repay the charges over time.
- *City Attorney/Economic Development.* The Mayor's office has allocated \$150,000 previously dedicated to the City Attorney's office to the Mayor's Office of Economic Development to fund services provided by the newly-created Office of Base Conversion and Special Projects in support of the redevelopment project.
- *San Francisco Fire Department.* The allocation of monies to the Fire Department, originally budgeted in March 2004 at \$3.7 million, has been amended to \$5.05 million, the figure from the FY 2003-2004 budget.
- *San Francisco Police Department.* The allocation to the Police Department was increased by the Mayor's Office from the proposed \$315,000 to \$765,000.
- *San Francisco Public Utilities Commission.* The SFPUC, via direction from the Mayor's Office, has agreed to provide services to Treasure Island in a manner consistent with the rest of the City and, thus, without a direct reimbursement from the Authority's budget.
- *Department of Public Works.* The allocation to DPW was reduced from \$1.15 million to \$1.06 million.

The changes outlined above account for the bulk of the increase in total expenses from \$10.81 million in the proposed budget approved in March to the \$12.07 million reflected in the current amended budget.

CONTINGENCY PLANS/OPTIONS

The current budget, as amended, represents a slim yet workable budget for the Authority to perform its primary responsibilities. In the event that revenue earnings do not meet projections, the Authority has two potential options for ensuring expenses do not outpace revenues.

First, under the terms of the Exclusive Negotiating Agreement with Treasure Island Community Development (TICD), the Authority has the right to require TICD to reimburse the Authority for a portion of approved expenses, up to \$1.8 million, incurred by the Authority associated with reaching a development agreement and completing transaction documents. As such, the Authority could effectively reduce its expenses associated with redevelopment planning and negotiations. Any such expenses reimbursed by the developer would be treated as pre-development expenses and would be subject to a return on the investment. As pre-development monies are considered the highest risk, the associated return on the monies would be relatively high and, for this reason, the Authority prefers if possible to cover its own redevelopment planning expenses.

Second, Authority staff have discussed the possibility with TIHDI of deferring a portion of the Sharing Agreement payments estimated for FY 2004-2005. TIHDI has agreed in principle to the possibility of deferring up to 50 percent (estimated at approximately \$500,000) of the Sharing Agreement payments in the upcoming fiscal year. However, the deferred payments would incur interest and be due and payable during the following fiscal year. Authority staff would propose to make the first two quarterly payments of FY 2004-2005 and assess, at the beginning of the 3rd quarter, whether monies that would otherwise go to TIHDI per the Sharing Agreement would be needed to keep expenses under revenues.

RECOMMENDATION

Staff recommends approval of the Fiscal Year 2004-2005 budget as amended.

EXHIBITS

- A Fiscal Year 2004-2005 Amended Budget, including Proposed Work Plan
- B Staff Summary Accompanying Proposed Fiscal Year 2004-2005 Budget from March 10, 2004 Authority Board Meeting



1 [Approving the amended TIDA Annual Budget for FY 2004-2005.]
2

3 **Resolution approving the amended budget of the Treasure Island Development**
4 **Authority for fiscal year 2004-2005, and authorizing the Executive Director to submit**
5 **the proposed amended budget to the City and County of San Francisco for approval by**
6 **the Board of Supervisors in accordance with the requirements of the California**
7 **Community Redevelopment Law.**
8

9 WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island
10 and Yerba Buena Island (together, the "Base"), which is currently owned by the United States
11 of America ("the Federal Government"); and,

12 WHEREAS, Treasure Island was selected for closure and disposition by the Base
13 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
14 subsequent amendments; and,

15 WHEREAS, In 1995, the General Services Administration and the Bureau of Land
16 Management determined that Yerba Buena Island was surplus to the Federal Government's
17 needs and could be transferred to the administrative jurisdiction of the Department of Defense
18 under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure
19 Island; and,

20 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
21 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
22 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
23 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
24 conversion of the Base for the public interest, convenience, welfare and common benefit of
25 the inhabitants of the City and County of San Francisco; and,



1 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
2 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
3 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
4 as a redevelopment agency under California redevelopment law with authority over the Base
5 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
6 Base which are subject to Tidelands Trust, vested in the Authority the authority to administer
7 the public trust for commerce, navigation and fisheries as to such property; and,

8 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
9 redevelopment agency for Treasure Island in 1997; and,

10 WHEREAS, On March 10, 2004, the Authority Board approved the Authority's
11 proposed budget for Fiscal Year 2004-2005; and,

12 WHEREAS, For reasons stated in the Staff Summary, a copy of which is on file with
13 the Secretary of the Authority, the Executive Director has prepared an amended budget for
14 the Authority for Fiscal Year 2004-2005, a copy of which is attached to this resolution as
15 Exhibit A (the "FY 2004-2005 Budget Submittal"); and,

16 WHEREAS, The California Community Redevelopment Law (at Section 33606 of the
17 Health and Safety Code) requires that redevelopment agencies (and therefore the Authority)
18 adopt and submit an annual budget to its "legislative body" for approval; and,

19 WHEREAS, In the City and County of San Francisco, the Board of Supervisors is the
20 "legislative body" under the California Community Redevelopment Law; and, Now therefore
21 be it

22 RESOLVED, That the Board of Directors of the Treasure Island Development Authority
23 hereby adopts and approves the amended FY 2004-2005 budget and hereby directs the
24 Executive Director to submit the amended FY 2004-2005 budget to the City and County of
25



1 San Francisco for further approval by the Board of Supervisors in accordance with the
2 requirements of the California Community Redevelopment Law.

3
4 **CERTIFICATE OF SECRETARY**

5
6 I hereby certify that I am the duly elected and acting Secretary of the Treasure
7 Island Development Authority, a California nonprofit public benefit corporation, and
8 that the above Resolution was duly adopted and approved by the Board of Directors of
9 the Authority at a properly noticed meeting on June 9, 2004.

10
11 _____
12 **William Fazande, Secretary**
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EXHIBIT A

FY 2004-2005	FY04 BUDGET	FY05 Budget	FY05 Budget
Treasure Island Development Authority	ORIGINAL	PROPOSED MAR 04	CURRENT PROPOSED
TOTAL REVENUES (including carryforward)	13,458,581.00	10,871,000.00	12,778,024.00
Revenues without carryforward	9,616,000.00	8,721,000.00	11,138,000.00
TI Administration (210009)	1,000.00	1,000.00	1,000.00
TI Special Events Revenues (210016)	378,000.00	500,000.00	550,000.00
YBI Special Events Revenues (210017)	0.00	5,000.00	5,000.00
TI Commercial Revenues (210018)	672,000.00	700,000.00	600,000.00
TI Film Permit Revenues (210019)	40,000.00	25,000.00	25,000.00
YBI Film Permit/ Cellsite Revenues (210020)	110,000.00	15,000.00	15,000.00
Marina Revenues (210021)	15,000.00	200,000.00	262,000.00
TI Housing Revenues (210022)	7,500,000.00	6,500,000.00	7,105,000.00
YBI Housing Revenues (210023)	900,000.00	775,000.00	775,000.00
REVENUES BROUGHT FORWARD	2,042,581.00	350,000.00	1,640,024.00
08699 Interdepartmental Recovery	1,800,000.00	1,800,000.00	1,800,000.00
REVENUES LESS EXPENSES			
with carry forward	50,000.00	58,032.00	706,069.00
without carry forward	-1,992,581.00	-291,968.00	-933,955.00

EXHIBIT A

FY 2004-2005	FY04 BUDGET	FY05 Budget	FY05 Budget
Treasure Island Development Authority	ORIGINAL	PROPOSED MAR 04	CURRENT PROPOSED
TOTAL EXPENSES	13,408,581.00	10,812,968.00	12,071,955.00
Total Expenses less salaries		9,865,096.00	11,209,578.00
TOTAL PERSONNEL	1,097,896.00	1,132,167.00	1,054,174.00
TOTAL NON PERSONNEL/NON CITY DEPTS	3,295,753.00	2,605,753.00	3,442,353.00
TOTAL SERVICES CITY DEPTS	9,014,932.00	7,075,048.00	7,575,428.00
TOTAL PERSONNEL	1,097,896.00	1,132,167.00	1,054,174.00
Salaries	939,363.00	947,872.00	862,377.00
Fringe	158,533.00	184,295.00	191,797.00
Retirement \$38,635			
Social Security (OASDI) \$46,350			
Social Security (m/care) \$12,505			
Health Service City match \$40,118			
Dependent coverage & Misc \$24,038			
Dental Coverage \$12,325			
Unemployment Insurance \$1,898			
Flexible benefit package \$13,276			
Longterm disability insurance \$2,652			
TOTAL NON PERSONNEL/NON CITY DEPTS	3,295,753.00	2,605,753.00	3,442,353.00
021 Travel	10,000.00	10,000.00	10,000.00
022 Training & Conferences	8,000.00	8,000.00	8,000.00
023 Ffield Expenses	500.00	500.00	500.00
024 Memberships	1,100.00	2,100.00	1,200.00
025 Special Events	18,153.00	18,153.00	18,153.00
027 Professional/Specialized Services /1/	2,338,000.00	1,155,000.00	1,105,000.00
028 Building Maintenance	154,000.00	986,000.00	936,000.00
02801 (garbage collection - \$25,000			
02802 (janitorial) \$110,000			
02805 (landscaping) \$800,000			
02899 (other bldg maintenance) \$1,000			
029 Equipment Maintenance	1,000.00	1,000.00	1,000.00
03100 Equipment Rentals	420,000.00	15,000.00	15,000.00
03500 Current Expenses	15,000.00	15,000.00	7,500.00
03599 Other Current Expenses (TIHDI Sharing Payments)			1,040,000.00
040 Materials & Supplies	5,000.00	5,000.00	10,000.00
051 Insurance		65,000.00	65,000.00
05200 Payments to Other Govt Agencies.	325,000.00	325,000.00	225,000.00
05300 Judgments & Claims	0.00	0.00	0.00
06000 Equipment	0.00	0.00	0.00

EXHIBIT A

FY 2004-2005	FY04 BUDGET	FY05 Budget	FY05 Budget
Treasure Island Development Authority	ORIGINAL	PROPOSED MAR 04	CURRENT PROPOSED
TOTAL SERVICES CITY DEPARTMENTS	0.00	7,075,048.00	7,575,428.00
081CB Risk Management	75,000.00	5,000.00	5,000.00
081CT City Attorney	411,320.00	600,000.00	450,000.00
081C5 DTIS Telecommunications Support	34,486.00	7,372.00	7,372.00
081ED Economic Development	7,538.00	0.00	150,000.00
081ET DTIS Telephone	44,819.00	33,981.00	33,981.00
081FD Fire	5,054,001.00	3,720,000.00	5,054,001.00
081H2 Training	1,500.00	1,500.00	1,500.00
081MY Mayor's Office services	45,721.00	45,721.00	0.00
081PA Central Shops	3,000.00	3,000.00	3,000.00
081PE Vehicle purchase	17,479.00	0.00	0.00
081PF Central Shops Fuel	2,000.00	2,000.00	2,000.00
081Parking & Traffic	100,000.00	50,000.00	0.00
081PR Reproduction	4,568.00	5,224.00	5,224.00
081PS Police	315,000.00	315,000.00	765,000.00
081Real Estate	0.00	70,000.00	35,000.00
081UH Public Utilities	1,066,250.00	1,066,250.00	0.00
DPW	1,832,250.00	1,150,000.00	1,063,350.00
081WB Bldg Repair	1,656,250.00	1,000,000.00	948,350.00
081WE Engineering	100,000.00	100,000.00	75,000.00
081WH Waste Disposal	26,000.00	0.00	0.00
081WM construction management	50,000.00	50,000.00	40,000.00

EXHIBIT A

FISCAL YEAR 2004-2005 WORK PROGRAM GOALS AND OBJECTIVES

For Fiscal Year 2004-2005, the Treasure Island Development Authority work program consists of the goals and objectives outlined below. These goals and objectives are pursuant to the timeline reflected on the attached schedule.

I. INTERIM USE AND TIDA ORGANIZATION

1. Extend Cooperative Agreement between U.S. Navy and TIDA
2. Interim leasing and special events
3. Assess means to TIDA hiring employees directly
4. Draft long-term organizational plan/strategy

II. PROPERTY CONVEYANCE FROM UNITED STATES NAVY TO CITY AND COUNTY OF SAN FRANCISCO

1. Certification of Final Programmatic Environmental Impact Report supporting transfer of Naval Station Treasure Island (NSTI) to the City and County of San Francisco
2. Executed Memorandum of Agreement for conveyance of property with U.S. Navy
3. Final Finding of Suitability to Transfer (FOST) issued for portions of NSTI
4. Final Finding of Suitability for Early Transfer (FOSET) issued for remaining portions of NSTI
5. Executed Environmental Services Cooperative Agreement (ESCA) between TIDA and U.S. Navy
6. Executed Consent Agreement between TIDA and California Department of Toxics Substances Control
7. Modified Federal Facilities Site Remediation Agreement (FFSRA)
8. Approved guaranteed fixed-price contract with environmental engineering contractor for remediation of sites covered under the ESCA
9. Covenant Deferral Request signed by Governor of California
10. Execution of legal documents transferring ownership of former NSTI to the City and County of San Francisco

EXHIBIT A

III. REDEVELOPMENT PLANNING AND MASTER DEVELOPMENT NEGOTIATIONS

1. Negotiated and drafted Disposition and Development Agreement and Ground Lease for expansion of Treasure Island Marina
2. Oversee passage of SB 1873, legislation authorizing an exchange of Tidelands Trust properties at former NSTI
3. Negotiate and draft Exchange Agreement with State Lands Commission implementing SB 1873
4. Finalize term sheet for master development and approval by Authority Board and Board of Supervisors, including general terms of:
 - a. Land use plan
 - b. Affordable housing plan
 - c. Infrastructure plan
 - d. Open space plan
 - e. Transaction structure and financing plan
 - f. Design for development/specific plan
 - g. Community benefits plan
5. Negotiate and draft Disposition and Development Agreement for master development of NSTI
6. Prepare draft Redevelopment Plan for distribution
7. Prepare General Plan amendment
8. Negotiate legally binding agreements with Caltrans regarding construction impacts to Treasure and Yerba Buena islands from construction of the new Eastern Span of the Bay Bridge and the provision of utilities to support the redevelopment of NSTI

TREASURE ISLAND REDEVELOPMENT SCHEDULE
JANUARY 2004 – JULY 2005

6/4/04

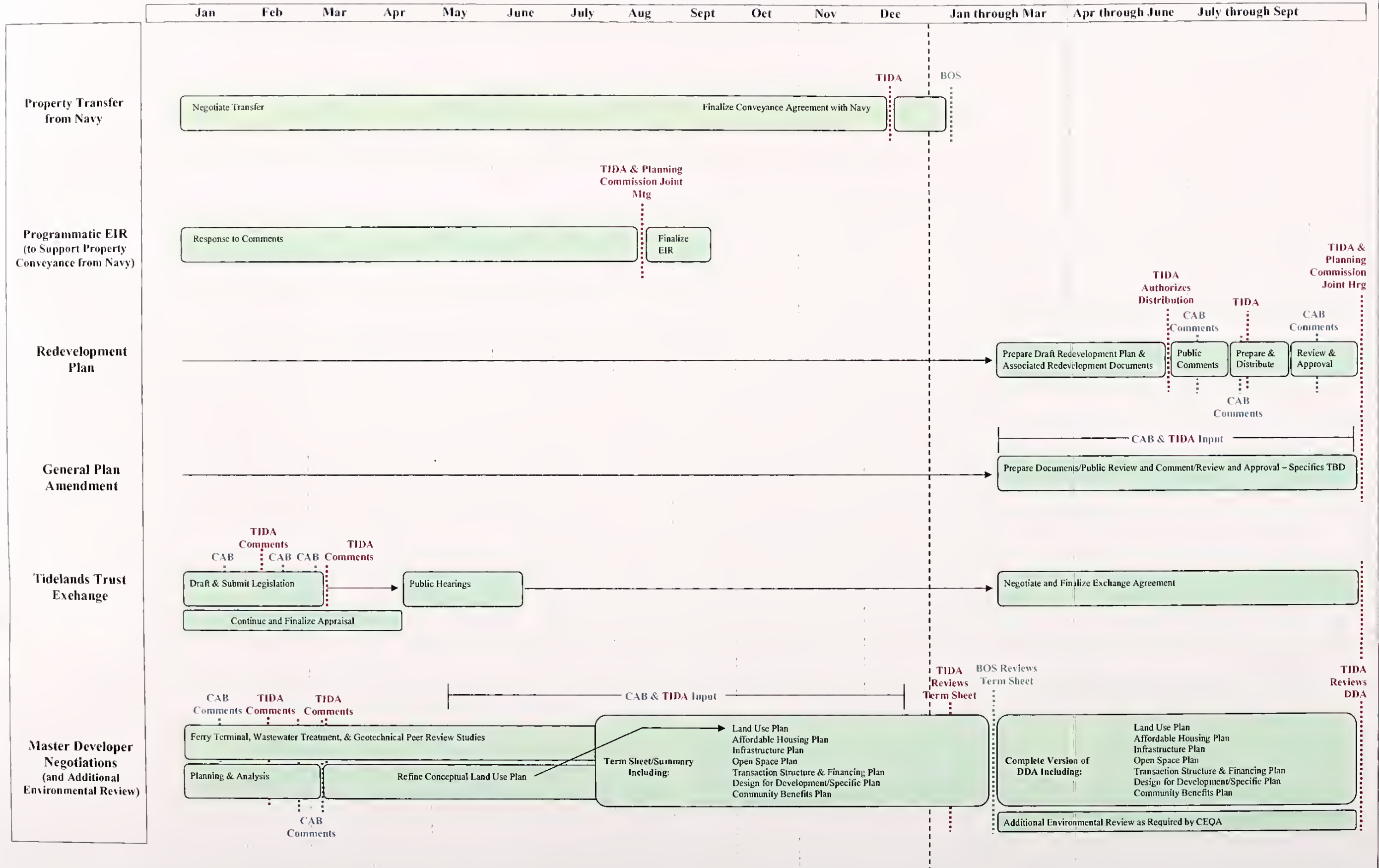






EXHIBIT B

AGENDA ITEM Treasure Island Development Authority City and County of San Francisco

Subject: Fiscal Year 2005 Budget

Agenda Item No. _____
Meeting of March 10, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
Eila Arbuckle, Finance Manager
274-0660

SUMMARY OF REQUESTED ACTION

Staff request authorization to forward the Authority's proposed FY 2005 budget to the Mayor's Office and the Board of Supervisors.

DISCUSSION

The Board of Supervisors of the City and County of San Francisco (the "City") established the Treasure Island Development Authority (the "Authority" or "TIDA") to manage the conversion of former Naval Station Treasure Island ("NSTI" or the "Base") from military use to civilian reuse. The specific mission of the Authority is to redevelop former Naval Station Treasure Island and manage its integration with the City and County of San Francisco in compliance with Federal, State and City guidelines including the California Tidelands Trust; create new housing and job opportunities for San Francisco residents, including assuring job opportunities for homeless and economically disadvantaged City residents; increase recreational and Bay access venues for San Francisco and Bay Area residents; and promote the welfare and well being of the citizens of San Francisco.

To achieve these goals, the Authority provides a number of services that can be grouped into three broad categories: (i) Property Management and Municipal Services; (ii) the Transfer of Federal Property to Local Jurisdiction; and (iii) Long-Range Planning and Redevelopment Activities. The following sections briefly highlight some of the major functions of the Authority and show their relationship to the FY2005 Budget.

Property Management/Municipal Services. Under the provisions of a Cooperative Agreement between the Authority and the U.S. Navy, the Authority serves as the property manager for all property that was formerly Naval Station Treasure Island. In this capacity, the Authority is responsible for building maintenance, utility operation and maintenance, landscaping, road repair, management of personal property, etc. In addition, the Cooperative Agreement (and the retrocession of jurisdiction by the Navy) also made the Authority and the City responsible for the provision of municipal services to the Island, including public safety services. For FY 2005, the Authority has budgeted about \$7.4 million to fund these expenses.

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The Authority has established two principal sources of revenue: (i) revenue generated from interim leasing of existing facilities; and (ii) revenue generated from special events on the Island. For FY 05, these two revenue sources are estimated to generate approximately \$8.7 million.

Transfer of Federal Property. As the designated Local Reuse Authority ("LRA"), the Authority is negotiating with the U.S. Navy to acquire all real property at the Base that has not been transferred to other Federal agencies. On Treasure Island proper, approximately 365 acres will be transferred to the Authority and on Yerba Buena Island approximately 115 acres will be transferred to the Authority. The Authority intends to obtain title to the property pursuant to a federal base closure conveyance mechanism known as a "no-cost" Economic Development Conveyance ("EDC"). The Authority submitted its EDC application to the Navy in June of 2000 and has been in constant negotiations since that time to prepare an EDC Memorandum of Agreement.

In an effort to bring closure to the transfer process, in December 2002, the Authority formally requested that the Navy commence negotiating an "Early Transfer" of the Base to the Authority pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Under CERCLA, the Navy has an obligation to complete all environmental remediation activities at the Base before a change in ownership can occur. However, under the Defense Environmental Program, the Navy is authorized to enter into an agreement with local agencies, such as the Authority, to carry out aspects of the Navy's remedial obligations with funds provided by the Navy after an Early Transfer. The terms for transferring the Navy's remedial obligations to the Authority, including the amount of funds to be made available for investigation and remediation of contamination at the base, will be set forth in an Environmental Services Cooperative Agreement ("ECSA") to be negotiated between the Navy and the Authority. The Navy has indicated a willingness to enter into negotiations for a "fence-to-fence" Early Transfer with an ESCA.

To assure that the Authority can complete investigation and remediation of NSTI, as contemplated by the ESCA, the Authority plans to enter a guaranteed fixed-price ("GFP") contract with an environmental engineering and remediation contractor to undertake the remediation. The GFP contract will include environmental insurance to address potential cost overruns, changed conditions, and unknown environmental liabilities.

Long-Range Planning/Redevelopment Activities. The Authority provides several critical services related to the redevelopment of NSTI, including:

- Preparation of an Environmental Impact Report (EIR) to assure the acquisition of Treasure Island complies with the requirements of the California Environmental Quality Act (CEQA);
- Completion of the work necessary to establish a Treasure Island Redevelopment Project Area and secure Board of Supervisors' certification of a Treasure Island Redevelopment Plan;
- Pending approval from the Authority Board, Authority staff will be responsible for the negotiation of a Development and Disposition Agreement (DDA) with a Master Developer for the redevelopment of Treasure Island in accordance with the Reuse Plan; and

EXHIBIT B

- DDA negotiations with the developer for an expanded marina at Clipper Cove.

Most of the activity associated with these actions is expected to be completed during FY 2005; however, the negotiations with a Master Developer for the Base (leading to a DDA), will likely not be completed until FY 2006.

NOTABLE BUDGET CONSIDERATIONS

- **Revenues.** Revenues generated by on-island leasing and special events for FY 05 are projected to decline by \$900,000 from FY 04. This is attributable to a soft rental housing market that has resulted in lower revenues from the John Stewart Company and the contractual implementation of a revenue sharing agreement with the Treasure Island Homeless Development Initiative (TIHDI), which is expected to reduce housing revenues by approximately \$1.2 million.
- **Reserves.** For FY 2004, the Authority utilized reserves of \$2 million to fund various General Fund obligations. Principal among these expenditures was additional funding to the Fire Department of \$954,000. As a result of the depletion of the reserve account, the Authority does not have the ability to fund any unexpected expenditures, such as emergency repairs to buildings or infrastructure.
- **Capital Expenditures.** The proposed FY 2005 budget does not include any funding for capital repairs or improvements. This is significant since the San Francisco Public Utilities Commission (SFPUC) identified approximately \$11.4 million in near-term improvements for the utility systems at Treasure Island. In their report, *Utility Vulnerability and Risk Assessment Study for Treasure Island and Yerba Buena Island*, the SFPUC noted that:
 - The SFPUC and the public could be faced with significant health and safety risks due to insufficient firefighting capacity and general lack of reliability of the water supply system. For example, the 2-million gallon water reservoir on Yerba Buena Island recently developed a crack, which limits the reservoir to 60% capacity.
 - The electrical system is dated (circa 1948) and is in poor condition. The condition of the electrical equipment presents a major safety hazard to SFPUC staff and warrants replacement.
 - TI/YBI has no long-term back-up power supply. The existing back-up generators run on diesel fuel and as a result it would be extremely expensive to operate the generators during a prolonged service interruption (which occurred recently).
- **Expenditures.** For FY 2005, the Authority is requesting a reduction in expenditures by approximately \$1.6 million. This decrease is attributable to a \$500,000 reduction in the allocation to SFPUC, a \$500,000 reduction in the allocation to the Department of Public Works, and a \$1.3 million reduction to the allocation to the Fire Department. It is important to note that in FY 2004, the Authority agreed to a one time allocation to the Fire Department of \$954,000. Thus, the FY 2005 proposed Fire allocation of \$3.7 represents a 10% reduction from the established baseline of \$4.1 million, which is less than the mandated 15% reduction for General Fund Departments, which should be reflected in the Fire Department allocation to Treasure Island. It is important to note that

EXHIBIT B

the \$3.7 million allocation to the Fire Department will fully fund the proportionate share of service calls attributable to Treasure Island/Yerba Buena Island. The remainder of service calls (approximately 50%) are attributable to calls for service on the San Francisco/Oakland Bay Bridge, and service calls to the Job Corps and Coast Guard which are both Federal facilities that do not contribute to Treasure Island's revenue base. This \$3.7 million has TIDA paying the lion's share of non-TIDA General Fund responsibilities.

- **Affordable Housing.** The Authority provides housing units and facilities to non-profit organizations on a "rent-free" basis to assist economically disadvantaged and homeless San Franciscans. A conservative estimate of this General Fund subsidy from providing 196 housing units is approximately \$3.0 million for FY 05.
- **Other Considerations.** The use of non-tax revenues to pay for City services is limited by two separate legal factors: (i) the Tidelands Trust and (ii) federal disposition rules governing "No-Cost" Economic Development Conveyances of base closure property. The following provides a brief discussion of each of these issues.

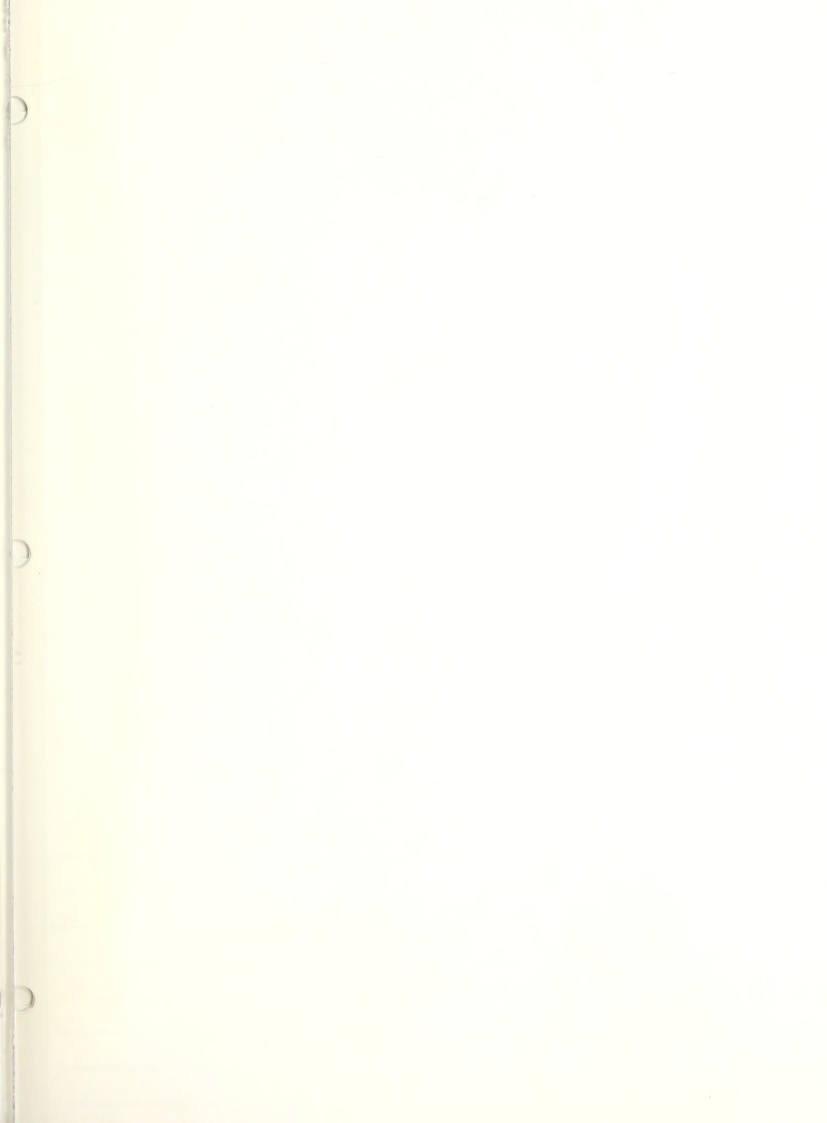
Tidelands Trust. Treasure Island proper (the flat portion of the former naval station composed of Bay fill) and a small portion of Yerba Buena Island are subject to the Tidelands Trust. The Tidelands Trust requires that revenues generated from Trust lands be used for Trust purposes. As a result, revenues generated on Treasure Island (i) must be carefully tracked, (ii) should not be used to pay for City services provided to non-Trust properties such as Yerba Buena Island (including the Coast Guard), the Job Corps, and the Bay Bridge, and (iii) must be limited to reasonable costs that directly benefit the Trust. ***In addition, according to the California Attorney General, there is some risk that the City could be compelled to disgorge sums paid by TIDA for basic services that the City routinely provides throughout San Francisco.*** On the other hand, Treasure Island's geographic remoteness and corresponding need for dedicated personnel may make such services sufficiently unique to justify using Trust revenues to pay for them.

No-Cost EDC. Federal law requires that as a condition to property transfer at no cost from the Navy, for seven years, TIDA must reinvest 100% of the proceeds received by TIDA from the sale, lease or similar use of property on Treasure Island (excluding tax revenues) into activities related to the redevelopment of the base. Federal law identifies a number of "allowable" uses, which are generally capital related – however, the costs associated with the provision of basic municipal services are not considered allowable expenses. In the event the Authority fails to invest the proceeds from the project in a manner consistent with the applicable legal guidelines, the Navy may seek to recoup those proceeds, which would result in the Authority "double paying" for City services.

Recommendation: Staff recommends approval.



Notes



Notes



Notes



Notes



TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



DRAFT Minutes of Meeting
Treasure Island Development Authority
June 9, 2004

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. Call to Order: 1:35 PM

Roll Call Present: Claudine Cheng (Chair)
 William Fazande (Vice-Chair)
 John Elberling
 Monique Moyer
 Susan Po-Rufino
 Marcia Rosen

Excused: Supervisor Chris Daly

DOCUMENTS DEPT.

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2. Director's Report by Executive Director Annemarie Conroy

Access and Public Use of Treasure Island:

Environmental Cleanup:

San Francisco/Oakland Bay Bridge Issues:

Community Issues:

TIHDI:

Finance Report:

Legislation and Hearings Affecting Treasure Island:

3. Communications

There were no communications received

4. Report by Treasure Island/Yerba Buena Island Citizens Advisory Board: Ms. Karen Knowles-Pearce, CAB Chair, stated that the June, 2004 CAB meeting was cancelled. The CAB will meet again on July 6, 2004.

5. Ongoing Business by Directors

Commissioner Elberling requested an agenda item at the next meeting in the form of a report from the John Stewart Company regarding issues related to the rental housing on Treasure and Yerba Buena Island. Stated that he would like to see this be an annual item where a representative from the John Stewart Company gives a presentation concerning both the finances and revenues of the rental housing program as well as a report on community and tenant issues related to the rental housing.

Commissioner Rosen asked if it would be more appropriate for TIDA staff to give this presentation

Commissioner Elberling stated that he felt it would be more appropriate to hear directly from the property manager concerning rental housing issues as well as TIDA staff, does not want to hear from one through the other.

Commissioner Rosen stated that in her view the staff is responsive to the governing board in reporting on contractual information, and first hand information should be provided from the service provider as well.

Commissioner Elberling stated that if TIDA staff had a current facilities manager, that person could put a good report together on these issues. But knowing that TIDA is currently understaffed, he feels that he wouldn't want to burden staff with a report that the management company could do on their own.

Commissioner Cheng requested that this item be placed on the agenda for the next meeting.

6. General Public Comment

Ms. Sherry Williams, Executive Director of the Treasure Island Homeless Development Initiative (TIHDI), presented information on the allocation of sharing-agreement funds by TIHDI as requested by Commissioner Elberling. Money flows in lease years, which is a March to February term. Payments were deferred the first few years of the agreement while John Stewart was made whole on their capital investment, in the last few years TIHDI has realized income from the agreement. Projected totals for sharing agreement for the next two years are \$564,023 for lease year 6 and lease year 7. Most of the expenses are earmarked for housing operations, as well as general operations, employment and economic development with a small share set aside for emergencies.

Commissioner Elberling asked if any of the funds, outside of operating expenses, development and services, are going into a rent subsidy.

Ms. Williams stated that these funds would go into a rent subsidy if a current subsidy was to not be renewed and the tenant could not maintain housing without it. Allows some transition for tenants if another subsidy is not available. Hopefully they will not have to spend the funds this way.

Commissioner Elberling asked what the development funds were going towards

Ms. Williams stated that these were expenses related to developing affordable units, and funding for the Bigelow Court units should they ever come on line. Stated they lost capital financing due to units not able to be drawn down via Proposition A funding. Stated that services funds have only been used so far to repay the loan for family service space, furniture for residents and payments for food pantry.

Commissioner Elberling asked if the \$1.8 million which is "lumped" over 3 years for operating, development and services has been earmarked for anything specific yet.

Ms. Williams stated that these funds have not been earmarked yet as the use of such funds hinges on what happens in the future with future development planning. Stated TIHDI's budget is on a fiscal year but the Sharing Agreement is on a March to February "lease year".

Commissioner Rosen asked if there was an operating and services reserve for the housing TIHDI has and for the units from the original agreement.

Ms. Williams stated that yes, there was.

Ms. Williams invited the Board to the TIHDI 10th Anniversary Celebration, being held on June 17th in the lobby of Building 1 on Treasure Island.

7. Consent Agenda

Commissioner Rosen asked staff for a comment on the necessity of extending these contracts for another two months, after just having done so two months earlier. Stated she is curious as to why longer contracts are not being entered into, also stated that these contracts will be up for renewal in August, and August is a vacation month where it may be tough to get a quorum, didn't want to get caught up in the problem of these contracts expiring.

Director Conroy stated that Toolworks, THIDI and Rubicon contracts should be ready in July, due to short staffing and budget-season issues staff has not been able to sit down with these entities yet to negotiate the actual contracts, though they will generally be similar to what they were before.

There was no public comment on these items

Commissioner Rosen motioned for approval of all items on the Consent agenda

Commissioner Po-Rufino seconded the motion

The items were approved unanimously

8. Commissioner Elberling, chair of the TIDA ad-hoc nominating committee, stated that the current situation of TIDA officers is that Claudine Cheng holds the offices of President and Chair of the Board, and William Fazande is currently the Vice-President, Chief Financial Officer, Vice Chair and Secretary of the Board. The committee unanimously voted to recommend nominating Claudine Cheng for the President and Chair of the Board, and to nominate Susan Po-Rufino for the Vice-President, Vice Chair, Chief Financial Officer and Secretary of the Board.

9. There was no public comment on this item

There were no nominations from the floor for TIDA officers

City Attorney Michael Cohen stated that should it be the preference of the Board, the nominations could be moved together

Commissioner Rosen motioned for approval of the nominees, Claudine Cheng and Susan Po-Rufino

Commissioner Moyer seconded the motion

Commissioner Cheng was approved as TIDA President and Chair and Commissioner Po-Rufino was approved as TIDA Vice President, Secretary and Chief Financial Officer

10. Executive Director Annemarie Conroy presented an agency agreement with the San Francisco Redevelopment Agency (SFRA) for the provision of employee services to the Treasure Island Development Authority. TIDA has no staff currently, staff has been contracted out via an agency agreement with the City of San Francisco, with the Mayor's Office and with the Office of Economic Development. During last year's budget process, the TIDA budget was split out from the City budget and put on its own track, like a separate redevelopment agency. Main issue is for Treasure Island to eventually become its own agency, which would give TIDA independence and its own employees. Stated it has been difficult to get into CalPERS system as such a small agency on own. TIDA is now currently out of Annual Salary Ordinance (ASO) as well.

Before the Board is a resolution to first terminate the Agency Agreement with the City of San Francisco and secondly to enter into an agency agreement for staff services with the San Francisco Redevelopment Agency. Stated staff has worked hard with Director Marcia Rosen and Lead Counsel Jim Morales of the SFRA to effectuate this agency agreement. There are differences for TIDA employees when switching employers, which is what this agency agreement would cause to happen, such as rollover of sick and vacation time already accrued. SFRA has been kind and helpful in facilitating rollover of sick and vacation time for current TIDA employees under this process. In the next 9 to 12 months it should be an easier move to TIDA being its own redevelopment agency since TIDA employees will now be recognized by CalPERS as current SFRA employees. Stated that staff salaries will be very similar to those listed in the TIDA budget, and there will be costs of reimbursement to SFRA for their administration of the Agency Agreement.

Commissioner Fazande asked if the TIDA employees were going to still have their health benefits and accrued sick, vacation and comp hours. Also asked why the salary of the Executive Director was being changed in this move to the SFRA. Asked if there was a way for this to be changed if TIDA is already, in essence, paying that salary by simply reimbursing SFRA for salary expenses.

Executive Director Conroy stated that all TIDA employees will have their same benefits and accrued vacation and sick time. Stated that the change in salary for the Executive Director was due to the fact that the salary proposed was the highest step classification for a Deputy Director, which is what she would be classified as at the SFRA.

Mr. James Morales, Lead Counsel of the SFRA, stated that the intent of the agreement was to fit existing TIDA staff into the existing classifications at the SFRA. Deputy Director is the highest

classification outside of Executive Director, and that seemed to be the most appropriate fit for the TIDA Executive Director. Stated that the TIDA Board has the authority to appoint an Executive Director on its own. Stated it was his understanding that it was the desire of TIDA staff and the TIDA Executive Director to fit TIDA staff within the SFRA for purposes of CalPERS and other related benefits. One of the principles by which this agreement was reached is that the SFRA's labor agreements, personnel policies and organizational structure would be kept the same, and under this the highest available position is Deputy Executive Director.

Commissioner Fazande asked if seniority will be retained once employees transfer to the SFRA. Mr. Morales stated that TIDA employees will not have seniority rights in relation to other Agency employees, as Agency management wanted to protect its existing employees in the case of "bumps" due to layoffs.

Deputy City Attorney Michael Cohen stated that there are a few changes to the Agreement that will require amendment of the resolution. First is that termination notice of Agency Agreement has been changed from 30 days notice to 60 days notice, the second is that payment will be made to the SFRA quarterly instead of on an annual basis. Also, wanted to note that AB699 specifically creates an exemption to conflicts which might arise from the Director of the Redevelopment Agency also being a member of the TIDA Board, as is the case with Commissioner Rosen. Out of want to avoid the appearance of a conflict of interest, Commissioner Rosen still wishes to recuse herself from this matter.

Commissioner Fazande asked what the limited-tenure term of TIDA employees meant. Stated he was worried about TIDA staff getting laid off. Deputy City Attorney Cohen stated that the Agency has to have budget obligations to take on TIDA employees before the Agreement takes effect. As a practical matter, layoffs would not provide a fiscal benefit to the SFRA, they would indeed lose the funding source of TIDA. As a practical matter the risk of layoff is close to non-existent.

Commissioner Cheng asked what some of the other issues were facing TIDA in terms of it becoming a separate agency.

Executive Director Conroy stated that Commissioner Elberling has mentioned several times the need for future planning of the TIDA office and its structure. Stated that other issues are getting employees properly classified, emancipating from the SFRA, setting up TIDA banking, payroll coordination and various other issues. Stated the TIDA Board will have input on all of this.

Commissioner Elberling stated that he has been pointing out since last year the need for strategic planning, and it has not been done. Afraid that the Board is now in the position of "backing-in" to major decisions. For the long term, all three options for the future of TIDA, as part of the SFRA, as part of the City, or as its own free-standing entity, should be looked at. The last mayor wanted TIDA to be its own free standing entity, stated he is not sure what the new mayor wants. Knows that "eyebrows will go up" when this item gets to the Board of Supervisors as part of the budget. Wished that Supervisor Daly was present, as he has had some interesting things to say about redevelopment over the past several years. But a strategic plan starts with scope of responsibilities, which is intermeshed with negotiations with TIDC about "who does what" on the Island. There are various models of this, in Mission Bay Catellus does almost everything and

SFRA has a limited role, in Yerba Buena the SFRA does a lot under it's own power. TIDA needs to think of its proper scope of responsibilities as a governing body and what is expected to be accomplished by the developer. Without that in view TIDA's role is not defined. Another big question is governance; TIDA is a unique commission, clearly the creation of the last mayor and his vision, doesn't know what the current mayor believes. Ultimately the Board of Supervisors has the last say on what will happen. Plans to submit a proposed resolution for the next meeting so that work on this planning can commence.

Commissioner Moyer asked why the term isn't a one year term corresponding to the budget.

Mr. Cohen stated that it is unclear what the timeline will be for making the transition to CalPERS, should that be the will of the TIDA Board. In some respects it doesn't matter, if it is terminable every 60 days it is a two-month to two-month term.

Commissioner Moyer stated that due to her past experience with CalPERS, she would prefer to have a 12 month tie, with both entities having the ability to sever that tie earlier if necessary.

Commissioner Rosen stated that in terms of a minimum term, this is a lot of work for the SFRA and she did not want to undergo the administrative burden and have the agreement cancelled a month later.

Commissioner Moyer asked what the next steps were for this agreement to go forward.

Mr. Morales stated that the next steps are for the SFRA Commission to approve the agreement at its next regular meeting. The matter then goes to the Board of Supervisors through the budget process.

Commissioner Moyer asked about the lack of dates on the section concerning "Purchasing Rules and Procedures"

Mr. Cohen stated that was a simple oversight on his part, there are purchasing rules and procedures already adopted by TIDA that exist.

Mr. Morales stated that the SFRA is not exercising redevelopment authority in this case, so TIDA will operate under its own rules and procedures to the greatest extent possible, and is essentially purchasing employee services from SFRA.

Commissioner Po-Rufino stated that the various positions in TIDA are a hybrid, and stated that she believes the salary for Executive Director Conroy should be the same as what she had before, since the expenses are being reimbursed by TIDA. Stated she believes the Board should revise the figures to give Ms. Conroy the similar salary she had before.

Commissioner Elberling stated that since this is a short-term arrangement, he feels it is not appropriate to ask the SFRA to disrupt its internal structure for the sake of one employee. Should the agreement go on longer or become permanent, then the SFRA would have to re-address this situation.

Executive Director Conroy stated she would be happy re-visiting this issue in 6 months.

Mr. Cohen restated the amendments to the resolutions

Commissioner Rosen recused herself from the vote on this item, due to her role as Director of the San Francisco Redevelopment Agency

There was no public comment on this item

Commissioner Fazande motioned for approval of the item

Commissioner Elberling seconded the motion

The item was approved unanimously, with Commissioner Rosen abstaining

Executive Director Conroy thanked Jim Morales for his hard work on this issue

11. Mr. Jack Sylvan, TIDA Director of Development, presented a revised 2004-2005 budget. Staff presented the original budget in March of 2004 which was approved by the TIDA Board and forwarded to the Mayor's Office. Over the last few months, there has been substantial revisions to various City department budgets to achieve a balanced budget. To that extent, TIDA's budget has been amended as well. Total projected revenues have increased from \$10.9 million to \$12.8 million, the majority of this increase is due to revenue generated by residential units in relation to the THDI sharing agreement as well as carry-forward from the Controllers Office. Expenses have increased from \$10.8 million to approximately \$12.1 million, much of this is moving the TIHDI sharing agreement payments to TIHDI into the expense section of the budget. In addition there was an adjustment to payments to government agencies, which was an outstanding payment to the Navy of Common Area Maintenance fees. Allocation to S.F. Fire Department was increased from \$3.7 million to \$5.05 million, allocation to the Police Department was increased by about \$450,000. PUC now provides utility services without direct reimbursement from TIDA budget, as they would to any other City neighborhood.

In the event that revenues generated are not what they were thought to be, through the Exclusive Negotiating Contract with TICD, the Authority has the right to require TICD to reimburse TIDA a portion of the approved pre-development planning expenses up to \$1.8 million. Therefore, should TIDA need to reduce expenses, it can do so by asking the redeveloper to reimburse TIDA, they prefer not to do so since these are risky, pre-development monies. TIDA has also had conversations with TIHDI about reducing sharing-agreement payments, these deferred payments would accrue interest. Staff recommends approval of the amended budget.

Commissioner Cheng asked where the carry-forward of \$350,000 came from.

Mr. Sylvan stated that the Controller determined that these were additional monies that were not included in the most recent information TIDA had at the time of the original budget, they are basically revenues from fiscal year 2002-2003.

Commissioner Cheng asked what the understanding was with the Navy over outstanding CAM charges

Executive Director Conroy stated that there are still on-going negotiations with the Navy over what the final figure will be.

Commissioner Cheng asked what the \$35,000 Real Estate expenditure was

Executive Director Conroy stated these are work orders for appraisal for Tidelands Trust issues as well as help with leasing issues via the Department of Real Estate.

Commissioner Elberling asked is the personnel line item just approved with the SFRA Agency Agreement is included in this budget, looks like the personnel budget is too low.

Executive Director Conroy stated that this personnel budget was just agreed upon today, and staff needs to go back and determine how to work with these salaries to get them up to the personnel budget line.

Commissioner Elberling asked how many vacant positions there were

Executive Director Conroy stated there are 4 vacancies, and the facilities manager position has been vacant since the death of Bob Mahoney but the position is planned to be filled. The planner position, leasing specialist and deputy director are the other vacant positions.

Commissioner Elberling asked what the planner and leasing specialist positions do.

Executive Director Conroy stated that the planner position is basically an assistant to the Director of Development and the leasing specialist is in charge of the commercial tenants. The Deputy Director is involved in finance and budget, contract administration, redevelopment, leasing issues, and looking at structure and long term needs of TIDA, more administration related than development related, as Stephen Proud was.

Commissioner Moyer stated that she wants to make sure the board recognizes that the budget is structurally imbalanced, as the budget relies on revenues from the prior year, she intends to support the budget because difficult times call for difficult choices. Will need to revisit this issue in order for TIDA to be able to stand alone in the future. Complimented TIDA on "tightening your belt" where they have.

Commissioner Po-Rufino asked what the travel expenses and training and conferences went towards.

Mr. Sylvan stated these monies are spent primarily by attending conferences such as the National Association of Development Directors and the Urban Land Institute, as well as traveling to meet with U.S. Navy representatives in San Diego and Washington D.C.

Commissioner Po-Rufino motioned for approval of this item

Commissioner Moyer seconded the motion

The item was approved unanimously

Commissioner Cheng left the Board at 3:05 PM

12. Mr. Jack Sylvan, TIDA Development Director, discussed professional contracts necessary for redevelopment of Treasure Island. The three primary redevelopment aspects are the conveyance of property from the Navy, a Disposition and Development Agreement for expansion of the Marina, and the Master Developer negotiations. Services necessary are economic real estate consultants, affordable housing experts, a financial advisor for bond financing, civil engineering experts, redevelopment planning and urban design and legal services for many different aspects including Tidelands Trust and land transfer issues. Staff has a recommended approach for contracting services. There are 3 primary means of selecting a contractor: an RFP/RFQ process, using a pool of selected contractors recommended by City Departments, and negotiating what would be, in effect, sole-source contracts. Certain City departments already have a pool of qualified consultants for various aspects of the project. Staff's opinion that selecting consultants from these pools is an efficient way of contracting. Any contracts in excess of \$50,000 would be brought before the Authority Board, in contrast duplicating an RFP/RFQ process already undertaken by these departments would involve a substantial amount of staff time. In other cases, the optimal consultant may already be working with the Authority. Entering into a new contract with a consultant would technically be considered a sole-source contract, though these consultants were originally chosen by the Authority via a competitive process. Staff recommendation for contracting technical and consulting expertise is to utilize where appropriate the qualified pool through various City departments and secondly to use consultants that were selected via competitive process, either by renewing or amending these contracts.

Commissioner Rosen stated that she supports using panels. On the issue of continuing contracts with professionals already selected, stated she believes these should be looked at on a case-by-case basis. Argument can be made that people who have knowledge and are doing a good job should be allowed to continue, but that goes against the purchasing policy of diversifying opportunity and having a competitive environment. In some cases it depends if there is a logical breaking point in which you can envision another opportunity for competition, or how long the contract has been in place. Stated she doesn't want to say extend contracts "carte blanche". Would rely on staff to use underlying policies of competitive opportunities balanced with timelines for completion of tasks, logical places for changing courses and how long a contract has been in place as to not lock up opportunities for many years with one consultant.

Commissioner Elberling stated that the public has inquired of him if a redevelopment area boundary has been drawn.

Deputy City Attorney Donnell Choy stated that a survey area has been established, but a redevelopment project area has not been adopted and will not be until a redevelopment plan is adopted.

Michael Cohen stated that there was a preliminary plan adopted, in this process boundaries for the redevelopment project area were recommended that excluded portions of the existing housing area. No project area has been established yet.

Commissioner Rosen stated there is a technical reason in California Redevelopment Law where if certain public lands have deed restrictions for certain public or wildlife or open space use imposed on them, then those areas are prohibited from being included in a project area. This issue has come up recently in the Bayview District.

Michael Cohen stated that in preliminary plan discussions, a serious policy discussion occurred in terms of a possible major financial obligation that could be created by potential replacement housing obligations under CRL as applied to current John Stewart Company tenants. Theoretically this obligation could bury the financial feasibility of the project. This is a multi-layered policy issue.

There was no public comment on this issue

Michael Cohen announced that he is leaving the City Attorney's office to become the new Director of Base Reuse and Special Projects in the Mayor's Office. He will continue to work on the Treasure Island and Hunters Point Shipyard projects and other private-public projects. Stated Donnell Choy will now become TIDA general counsel. This move will allow him to spend more time on Treasure Island matters and focusing on the Navy deal and master developer negotiations.

13. There was no comment on the proposed closed session item

Commissioner Elberling motioned to move the TIDA Board to a closed session
Commissioner Fazande seconded the motion

The TIDA Board moved to closed session at 3:15 PM

14. The TIDA Board reconvened in open session at 3:45 PM

Commissioner Elberling motioned to not disclose any of the discussions held in closed session
Commissioner Rosen seconded the motion

The Board voted unanimously to not disclose any of the discussions held in closed session

15. There was no future agenda items discussed by Directors

16. Commissioner Po-Rufino motioned for adjournment

The meeting adjourned at 3:47 PM



TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

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NOTICE OF CANCELLED MEETING

TREASURE ISLAND DEVELOPMENT AUTHORITY

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T 74
#1
7/14/04
cancelled
NOTICE IS HEREBY GIVEN that the regular meeting of the Treasure Island Development Authority scheduled for Wednesday, July 14, 2004 at 1:30 pm at 1 Dr. Carlton B. Goodlett Place, Room 400, City Hall, San Francisco, California, has been **Cancelled**.

The next regular meeting is scheduled for August 11, 2004.

Treasure Island Development Authority

TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



**TREASURE ISLAND DEVELOPMENT AUTHORITY
SPECIAL MEETING AGENDA**

August 4, 2004 at 4:30 P.M.

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Room 416, City Hall
1 Dr. Carlton Goodlett Place

AUG - 2 2004

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Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, (Chair)
William Fazande
John Elberling
Monique Moyer

Susan Po-Rufino (Vice-Chair)
Marcia Rosen
Jared Blumenfeld
Supervisor Chris Daly (ex-officio)

Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Appointing the new Executive Director of the Treasure Island Development Authority (Action Item)
3. Authorizing an employment agreement with Tony Hall to serve as the new Executive Director of the Treasure Island Development Authority (Action Item)
4. Amending the Agency Agreement with the San Francisco Redevelopment Agency to add Tony Hall as the Executive Director of the Treasure Island Development Authority (Action Item)
5. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S. Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

Disability Access

The Treasure Island Development Authority meets at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

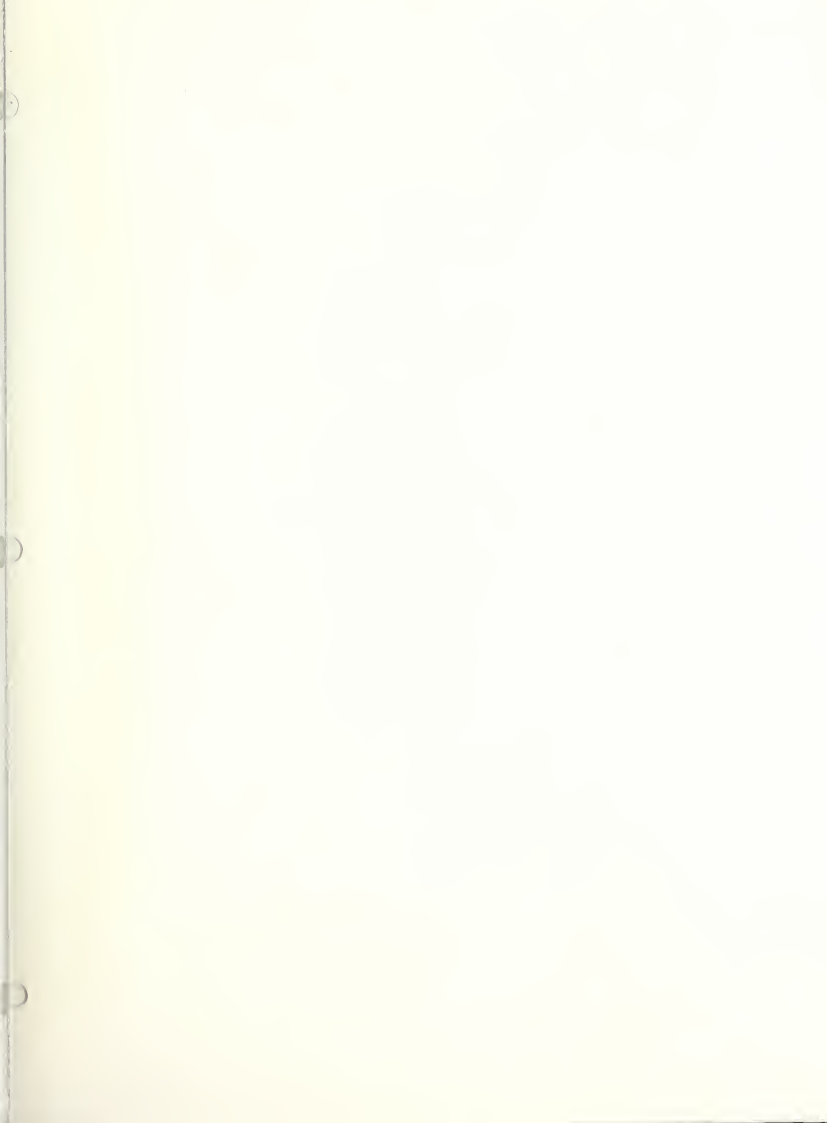
Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.



RESOLUTION NO.

[Appointing the new Executive Director of the Treasure Island Development Authority.]

Resolution appointing the new executive director of the Treasure Island Development Authority.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,; and

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA. (Section 33126 of the California Health and Safety Code.); and,

1 WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
2 have the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
3 agents, and employees; and,

4 WHEREAS, The TIDA Board of Directors wish to appoint Tony Hall as the new
5 Executive Director of TIDA; now, therefore, be it

6 RESOLVED, That the Board of Directors of TIDA hereby appoints Tony Hall to be the
7 Executive Director of the Treasure Island Development Authority.

8
9 **CERTIFICATE OF SECRETARY**

10 I hereby certify that I am the duly elected Secretary of the Treasure Island
11 Development Authority, a California nonprofit public benefit corporation, and that the
12 above Resolution was duly adopted and approved by the Board of Directors of the
13 Authority at a properly noticed meeting on August 4, 2004.

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16 _____
Susan Po-Rufino, Secretary

[Appointing the new Executive Director of the Treasure Island Development Authority.]

Resolution appointing the new executive director of the Treasure Island Development Authority.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,;

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA. (Section 33126 of the California Health and Safety Code.); and,

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1 WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
2 have the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
3 agents, and employees; and,

4 WHEREAS, The TIDA Board of Directors wish to appoint Tony Hall as the new
5 Executive Director of TIDA; now, therefore, be it

6 RESOLVED, That the Board of Directors of TIDA appoints Tony Hall to be the
7 Executive Director of the Treasure Island Development Authority, provided that (1) Tony Hall
8 has resigned from the Board of Supervisors and (2) the Ethics Commission has granted any
9 necessary waivers from the City's post employment restrictions.

10
11 **CERTIFICATE OF SECRETARY**

12 I hereby certify that I am the duly elected Secretary of the Treasure Island
13 Development Authority, a California nonprofit public benefit corporation, and that the
14 above Resolution was duly adopted and approved by the Board of Directors of the
15 Authority at a properly noticed meeting on August 4, 2004.

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Susan Po-Rufino, Secretary

Notes

RESOLUTION NO.

[Authorizing an employment agreement with Tony Hall to serve as the new Executive Director of the Treasure Island Development Authority.]

Resolution authorizing an employment agreement with Tony Hall to serve as the new Executive Director of the Treasure Island Development Authority.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,; and

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA. (Section 33126 of the California Health and Safety Code.); and,

1 WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
2 have the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
3 agents, and employees; and,

4 WHEREAS, The TIDA Board of Directors have appointed Tony Hall as the new
5 Executive Director of TIDA; and,

6 WHEREAS, The TIDA Board of Directors wish to enter into an Employment Agreement
7 with Tony Hall in substantially the form attached hereto as Exhibit A; now, therefore, be it

8 RESOLVED, That the TIDA Board of Directors hereby approves and authorizes the
9 President of the Board to enter into an Employment Agreement with Tony Hall to serve as the
10 Executive Director of TIDA in substantially the form attached hereto as Exhibit A.

11
12 **CERTIFICATE OF SECRETARY**

13 I hereby certify that I am the duly elected Secretary of the Treasure Island
14 Development Authority, a California nonprofit public benefit corporation, and that the
15 above Resolution was duly adopted and approved by the Board of Directors of the
16 Authority at a properly noticed meeting on August 4, 2004.

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Susan Po-Rufino, Secretary

RESOLUTION NO.

[Authorizing an employment agreement with Tony Hall to serve as the new Executive Director of the Treasure Island Development Authority.]

Resolution authorizing an employment agreement with Tony Hall to serve as the new Executive Director of the Treasure Island Development Authority.

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WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA. (Section 33126 of the California Health and Safety Code.); and,

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1 WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
2 have the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
3 agents, and employees; and,

4 WHEREAS, The TIDA Board of Directors have appointed Tony Hall as the new
5 Executive Director of TIDA; and,

6 WHEREAS, The TIDA Board of Directors wish to enter into an Employment Agreement
7 with Tony Hall in substantially the form attached hereto as Exhibit A; now, therefore, be it

8 RESOLVED, That the TIDA Board of Directors hereby approves and authorizes the
9 President of the Board to enter into an Employment Agreement with Tony Hall to serve as the
10 Executive Director of TIDA in substantially the form attached hereto as Exhibit A; provided
11 that Tony Hall has satisfied the conditions to his appointment as Executive Director of TIDA.

12 13 **CERTIFICATE OF SECRETARY**

14 I hereby certify that I am the duly elected Secretary of the Treasure Island
15 Development Authority, a California nonprofit public benefit corporation, and that the
16 above Resolution was duly adopted and approved by the Board of Directors of the
17 Authority at a properly noticed meeting on August 4, 2004.

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21 Susan Po-Rufino, Secretary
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DRAFT

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made this 4th day of AUGUST, 2004, by and between the Treasure Island Development Authority (the "Authority"), and Tony Hall ("Hall"), an individual.

WHEREAS, under the Authority's Articles of Incorporation and Bylaws, the Authority, acting through its Board of Directors, has the power, subject to applicable laws to, among other things, appoint and remove, at the pleasure of the Board of Directors, all of the Authority's officers, agents, and employees, and prescribe powers and duties for them that are consistent with law, and with the Authority's Articles of Incorporation and the Bylaws,

Now therefore, in consideration of the mutual promises set forth, the Authority and Hall represent, promise and agree as follows:

1. **Appointment.** Under the Authority's Articles of Incorporation and Bylaws, the Authority hereby appoints Hall Executive Director of the Authority. Hall hereby agrees to and accepts this appointment. Hall is an at will employee who serves at the pleasure of the Authority.

2. **Term.** The term of this contract is from August 5, 2004, until January 8, 2007, unless earlier terminated as provided elsewhere in this Agreement.

3. **Authority.** Hall shall be the Executive Director of the Authority.

The Authority and the Redevelopment Agency have entered into an "Agency Agreement" dated June --, 2004. Under that Agreement, for administrative convenience, the Redevelopment Agency agreed to employ certain persons, listed in Exhibit A to the Agency Agreement, to staff a "Project Office" to manage the functions of the Authority, provided those persons separated from City employment by a certain date. The Authority will enter into an amendment of the Agency Agreement to list Hall as the individual in charge of the Project Office. Notwithstanding the title given to Hall for the purpose of consistency with Redevelopment Agency classifications ("Deputy Executive Director-TIDA"), Hall shall be known as and function as the "Executive Director" of the Authority and shall be entitled to use that title in all his authorized functions.

The Agency Agreement has a duration of one year and may be terminated sooner upon notice. Upon termination of the Agency Agreement, Hall will become a direct employee of the Authority.

4. **Salary.** During the term of the Agency Agreement, Hall's salary shall be the salary set in the Agency Agreement, as set forth in Exhibit A to the Agreement. Upon termination of the Agency Agreement, Hall's salary shall be determined by the Authority. If the Agency Agreement is terminated before July 1, 2005, Hall's salary shall be the salary currently budgeted for the Executive Director in the budget approved by the Board of Supervisors. For any time period after July 1, 2005, Hall shall be entitled to, at a minimum, a yearly cost of living increase, and any further increase approved by the Authority. Hall's salary shall be subject to annual review as described in Paragraph 6.

5. **Health Benefits and Pension.**

During the term of the Agency Agreement, Hall's health benefits, pension and other benefits shall be determined by the Agency Agreement.

Upon termination of the Agency Agreement, Hall's health benefits, pension and other benefits shall be determined as follows:

Health Benefits. The Authority shall provide Hall with health benefits through the Health Service System of the City and County of San Francisco at the rates provided to members of the Municipal Executives' Association ("MEA") under the MOU between the City and the MEA as that agreement may be amended from time to time. The Authority shall enact any resolution required by San Francisco Administrative Code Section 16.700 to make Hall eligible to participate in the Health Service System, and any resolution required by Administrative Code Section 16.701 to establish the employer contributions required by this paragraph.

Pension. The Authority shall apply, on the earliest possible schedule, to California's Public Employees' Retirement System for a contract between the Authority and PERS for PERS to provide pension benefits to Hall.

6. **Performance Review and Evaluation.** At the end of the first year, and every subsequent year of this Agreement, the Authority shall conduct an annual performance review to evaluate Hall's performance and review his compensation.

7. **Termination of Agreement.** The Authority may terminate this Agreement at any time at its convenience, without cause, and without stating any reasons therefore, and upon at least thirty (30) days advance written notice to Hall. Upon the expiration of the notice period, Hall's employment will terminate automatically and Hall's compensation and benefits shall cease except to the extent provided in this Paragraph 7.

In the event of a termination by the Authority without a determination of cause, Hall shall receive an amount equal to 18 months salary, or an amount equivalent to the salary that would have been paid for the remaining term of this agreement, whichever is less. This amount shall be paid in equal increments in accordance with the Authority's pay schedule, but in no event less frequently than monthly; provided, however, that the Authority may, in its sole discretion, determine to pay out this amount in a lump sum.

In the event that the Authority terminates Hall for cause, compensation to Hall shall cease immediately upon the termination. Cause for termination is defined as: (a) conviction, guilty plea, or nolo contendere plea to (i) any felony or (ii) any misdemeanor in any way related to his job responsibilities or past or present status as a public official; (b) any act of willful misconduct or dishonesty related to his past or present positions with the City, (c) any willful violation of the Authority's written policies, including but not limited to those prohibiting discrimination or harassment in the workplace, (d) any willful or habitual failure to perform, or an incapacity to perform, the duties of the position, or (e) any willful conduct unbecoming a public official in the position of Executive Director of the Authority. A determination of cause shall be made within the sole discretion of the Authority and without any requirement of a hearing or appeal of any kind.

8. **Resignation, Death, Incapacity.** Hall may resign Hall's appointment upon at least forty-five (45) days' advance written notice to the Authority or any shorter period agreed to by the Authority in its sole and absolute discretion. Any compensation due under the terms of this Agreement shall cease upon termination of service under this paragraph. If Hall's services are terminated by death or incapacity, compensation due

under the terms of this Agreement shall cease on the day after death or incapacity.

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California and enforced only in a state or federal court located in San Francisco, California.

10. **Notices.** All notices and any other written communication required or permitted to be served hereunder or by law shall be in writing and be deemed served by delivering or mailing the same, postage prepaid, and addressed as follows:

To TIDA: Claudine Cheng
President
Treasure Island Development Authority
410 Palm Avenue, Building 1
San Francisco, CA 94130

To ____: [Address]
San Francisco, California 94103

Either party may modify the address at which it shall receive notice under this Agreement by three days' prior written notice to the other party.

11. **No Assignment.** This Agreement may not be assigned, except that the Agreement shall extend to any entity with or into which the Authority may merge or consolidate under law.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supercedes all prior oral or written understandings between the parties. There are no oral or written covenants, inducements, promises or agreements between the parties except as contained herein. Nothing contained in this Agreement may be modified, altered or amended, except in writing signed by and approved by the Authority and Hall in the same manner as this Agreement.

14. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable, the remainder of this agreement shall remain in full force and effect.

In Witness whereof, the parties hereto have affixed their signatures as of the date and year first above written.

This Agreement may be executed in counterparts containing original signatures.

AUTHORIZED BY

Treasure Island Development Authority

RESOLUTION NO. _____

ADOPTED: _____

ATTESTED:

Secretary, Treasure Island Development Authority

DRAFT

Notes

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

RESOLUTION NO.

[Amending the Agency Agreement with the San Francisco Redevelopment Agency to add Tony Hall as the Executive Director of the Treasure Island Development Authority.]

Resolution authorizing an amendment to the Agency Agreement with the San Francisco Redevelopment Agency to add Tony Hall as the Executive Director of the Treasure Island Development Authority.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,;

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of

Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA.
(Section 33126 of the California Health and Safety Code.); and,

WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
have the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
agents, and employees; and,

WHEREAS, The TIDA Board of Directors have appointed Tony Hall as the new
Executive Director of TIDA; and,

WHEREAS, The TIDA Board of Directors have authorized entering into an Employment
Agreement with Tony Hall to serve as the new Executive Director of TIDA; and,

WHEREAS, TIDA and the San Francisco Redevelopment Agency entered into that
certain Agency Agreement dated June, 2004, in which TIDA, among other things, appointed
the San Francisco Redevelopment Agency as TIDA's agent to provide services to carry out
the day-to-day operations of TIDA, and the Redevelopment Agency, among other things,
agreed to employ certain individuals listed on Exhibit A to the Agency Agreement under the
terms and conditions stated in the Agency Agreement; and,

WHEREAS, TIDA wishes to amend the Agency Agreement to add Tony Hall as the
Executive Director of TIDA consistent with the employment agreement between TIDA and
Tony Hall; now, therefore, be it

RESOLVED, That the TIDA Board of Directors hereby authorizes the President of the
Board to amend the Agency Agreement to add Tony Hall as the Executive Director of TIDA
and to make such other modifications as the President in consultation with the City Attorney
find reasonable and appropriate to be consistent with the intent of this resolution and the
employment agreement with Tony Hall.

CERTIFICATE OF SECRETARY

1 I hereby certify that I am the duly elected Secretary of the Treasure Island
2 Development Authority, a California nonprofit public benefit corporation, and that the
3 above Resolution was duly adopted and approved by the Board of Directors of the
4 Authority at a properly noticed meeting on August 4, 2004.

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Susan Po-Rufino, Secretary
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RESOLUTION NO.

[Amending the Agency Agreement with the San Francisco Redevelopment Agency to add Tony Hall as the Executive Director of the Treasure Island Development Authority.]

Resolution authorizing an amendment to the Agency Agreement with the San Francisco Redevelopment Agency to add Tony Hall as the Executive Director of the Treasure Island Development Authority.

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WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of

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Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA.
(Section 33126 of the California Health and Safety Code.); and,

WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors have the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers, agents, and employees; and,

WHEREAS, The TIDA Board of Directors have appointed Tony Hall as the new Executive Director of TIDA; and,

WHEREAS, The TIDA Board of Directors have authorized entering into an Employment Agreement with Tony Hall to serve as the new Executive Director of TIDA; and,

WHEREAS, TIDA and the San Francisco Redevelopment Agency entered into that certain Agency Agreement dated June, 2004, in which TIDA, among other things, appointed the San Francisco Redevelopment Agency as TIDA's agent to provide services to carry out the day-to-day operations of TIDA, and the Redevelopment Agency, among other things, agreed to employ certain individuals listed on Exhibit A to the Agency Agreement under the terms and conditions stated in the Agency Agreement; and,

WHEREAS, TIDA wishes to amend the Agency Agreement to add Tony Hall as the Executive Director of TIDA consistent with the employment agreement between TIDA and Tony Hall; now, therefore, be it

RESOLVED, That the TIDA Board of Directors hereby authorizes the President of the Board to amend the Agency Agreement to add Tony Hall as the Executive Director of TIDA and to make such other modifications as the President in consultation with the City Attorney find reasonable and appropriate to be consistent with the intent of this resolution and the employment agreement with Tony Hall; provided that Tony Hall has satisfied the conditions to his appointment as Executive Director of TIDA.

1 CERTIFICATE OF SECRETARY

2 I hereby certify that I am the duly elected Secretary of the Treasure Island
3 Development Authority, a California nonprofit public benefit corporation, and that the
4 above Resolution was duly adopted and approved by the Board of Directors of the
5 Authority at a properly noticed meeting on August 4, 2004.
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8 _____
Susan Po-Rufino, Secretary
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Notes

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY



DENNIS J. HERRERA
City Attorney

DONNELL W. CHOY
Deputy City Attorney

DIRECT DIAL: (415) 554-4736
E-MAIL: donnell.choy@sfgov.org

Amended
Meeting Agenda

MEMORANDUM

DOCUMENTS DEPT

TO: Claudine Cheng, President
Members,
Treasure Island Development Authority

AUG - 3 2004

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FROM: Donnell Choy *dc*
Deputy City Attorney

00-03-04 AUG 12 10:00

DATE: July 22, 2004

RE: Appointment of New Executive Director to the Treasure Island Development Authority

We write in response to President Claudine Cheng's request for advice regarding the process for appointing a new Executive Director for the Treasure Island Development Authority (TIDA). We understand that there will be a vacancy in the position of Executive Director of TIDA because the incumbent intends to resign to take another position with the City.

SHORT ANSWER

The TIDA Board of Directors has two options for selecting a new Executive Director: (1) amend TIDA's existing agreement with the San Francisco Redevelopment Agency to allow the Redevelopment Agency to hire a person selected by the TIDA Board as the new Executive Director, or (2) appoint the Executive Director and enter into a contract directly with the new Director, fixing the terms of employment and compensation of the Director.

BACKGROUND

TIDA is a separate entity from San Francisco, established by the City under State law, much like the San Francisco Redevelopment Agency. In 1997, the California legislature enacted the Treasure Island Conversion Act of 1997 (the "Act"), which amended the California Redevelopment Law (Section 33000 et seq. of the California Health and Safety Code) and the Burton Act (Section 2.1 to Chapter 1333 of the Statutes of 1968), to consolidate in TIDA the powers essential to reuse of former Naval Station Treasure Island (the "Base"). The Act vests TIDA with both redevelopment authority over the Base and, as to those portions of the Base that are subject to the public trust for commerce, navigation and fisheries (commonly known as the "tidelands trust"), the authority to administer the trust for such property.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

Memorandum

TO: Claudine Cheng, President
Members,
Treasure Island Development Authority

DATE: July 22, 2004

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RE: Appointment of New Executive Director to the Treasure Island Development Authority

In 1998, as authorized by the Act, the City's Board of Supervisors designated TIDA as the redevelopment agency and local reuse authority for the Base.¹ Consistent with the Act, the Board resolution grants TIDA all of the rights, privileges, immunities, authorities and duties granted to redevelopment agencies.

Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, including an executive director, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or encumbrance of budgetary funds appropriated to TIDA. (Section 33126 of the California Health and Safety Code.) TIDA may also, consistent with the California Redevelopment Law, contract with any other agency, including San Francisco, for the furnishing of any necessary staff services associated with or required by redevelopment and that may be performed by the staff of such an agency. (Section 33127 of the California Health and Safety Code.)

In the past, TIDA has contracted with San Francisco for all of TIDA's staff needs. The agreement between TIDA and the City provided that the Executive Director of the Mayor's Treasure Island Project Office would also serve as the Executive Director of TIDA. In connection with the budget for TIDA for the current 2004-2005 fiscal year, TIDA and the City's Board of Supervisors recently approved terminating that agreement and entering into a replacement agreement with the San Francisco Redevelopment Agency. As a result, TIDA has entered into a new agreement with the San Francisco Redevelopment Agency for TIDA's staffing needs (the "Agency Agreement"). The Agency Agreement lists the employees who will perform work for TIDA. The term of the Agency Agreement is for an initial six months, and continues thereafter on a month-to-month basis not to exceed one year, unless both the TIDA Board of Directors and the Redevelopment Agency agree in writing to extend the term further.

Under the current Agency Agreement, the Redevelopment Agency agrees to hire all of the named employees from the Mayor's Treasure Island Project Office, including the Executive Director of TIDA, if those employees resigned from the City within a certain period following the effective date of that agreement.

The Mayor recently appointed TIDA's Executive Director, Annemarie Conroy, to be the Director of the City's Office of Emergency Services. We understand that Ms. Conroy has

¹ In 1997, the Board had previously adopted a resolution authorizing the incorporation of TIDA and approving its articles of incorporation and bylaws. The Act recognized TIDA as an existing agency, and authorized the Board to give TIDA the powers of a redevelopment agency and a trustee of the tidelands trust.

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

Memorandum

TO: Claudine Cheng, President
Members,
Treasure Island Development Authority

DATE: July 22, 2004

PAGE: 3

RE: Appointment of New Executive Director to the Treasure Island Development Authority

announced that she will accept that position and that she intends to resign as TIDA's Executive Director. Accordingly, there will be a vacancy in the position of the Executive Director. The President of the TIDA Board, as well as other City policymakers, have asked about how that position could be filled.

ANALYSIS

The process for selecting a new Executive Director for TIDA is governed by the Act, the California Redevelopment Law, the Board resolution designating TIDA as the redevelopment agency and reuse authority for the Base, and TIDA's articles and bylaws.

Neither the Act, the Board resolution designating TIDA as the redevelopment agency for the Base, nor TIDA's articles or bylaws specifies the procedures for selecting an Executive Director. As mentioned above, the Act and the Board resolution vest TIDA with all of the rights, privileges, immunities, authorities and duties granted to redevelopment agencies. As described above, redevelopment agencies such as TIDA have the flexibility to employ such staff as they may require, subject to the appropriation of funds by the legislative body, or contract with other agencies to perform required services.

Thus, the TIDA Board of Directors has two options to select a new Executive Director: (1) it may amend the existing agreement with the Redevelopment Agency to have the Redevelopment Agency hire another person selected by the TIDA Board as the new TIDA Executive Director, or (2) it may exercise its authority to enter into an agreement with the new Director. Under either alternative, the TIDA Board would have to approve the new Executive Director.²

1. Amendment of Agency Agreement with the Redevelopment Agency

The Agency Agreement states that TIDA has asked the Redevelopment Agency "to enter into this Agreement to achieve certain administrative efficiencies while the Authority explores means of hiring directly its own employees." (Agency Agreement, p. 2.) Under the Agency

² In this memorandum we address only the procedure for appointing an Executive Director for TIDA, and not the qualifications for such a position. While neither the California Redevelopment Law, the Act, the Board resolution designating TIDA as the redevelopment agency for the Base, nor TIDA's articles or bylaws set forth any particular qualifications for the Executive Director, any person TIDA selects to serve as Executive Director would be subject to the conflict of interest laws governing public officials, some of which may disqualify particular persons from serving.

CITY AND COUNTY OF SAN FRANCISCO

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TO: Claudine Cheng, President
Members,
Treasure Island Development Authority

DATE: July 22, 2004

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RE: Appointment of New Executive Director to the Treasure Island Development Authority

Agreement, the Redevelopment Agency has agreed to hire a list of TIDA personnel. (Exhibit A to the Agency Agreement.) The list includes Annemarie Conroy as the Executive Director.³

The Agency Agreement also states that the list of personnel will be offered employment "[e]xcept as otherwise mutually agreed by the Authority and the Executive Director of the [Redevelopment] Agency. (Agency Agreement, p. 3, ¶ 3.)

Because the Agency Agreement authorizes the hiring of personnel if both TIDA and Redevelopment Agency Executive Director agree, they may amend the Agency Agreement to provide that they will hire another person to be the Executive Director.

2. Direct Employment of Executive Director by TIDA

In the alternative, TIDA may exercise its authority under its Bylaws to "appoint," "prescribe powers and duties", and "fix ... compensation" for an Executive Director.' (Article V, Section 2(b) of the TIDA Bylaws.) TIDA may do so by entering into an employment agreement with the Executive Director. Typically, employment agreements set a term, state whether the employee is at will, set forth the employee's duties, fix the employee's compensation and benefits, and set terms for termination of the agreement.

If TIDA enters into an employment agreement with the new Executive Director, it would need to establish a system for issuing a paycheck and making necessary deductions. Under newly enacted legislation, TIDA may give its employees health benefits through the City's Health Service System by passing a resolution authorizing the benefits and setting TIDA's contribution. (Administrative Code Sections 16.700, 16.701.) To provide pension benefits, TIDA would need to contract with the state Public Employee's Retirement System, which could take six or more months to accomplish.

In addition, depending on the facts and circumstances, there are limitations on TIDA's authority to contract that could be implicated by a direct employment agreement. For example, the Act and TIDA's articles require Board of Supervisors approval by resolution for any contract to which TIDA is a party with a term in excess of 10 years or which exceeds \$1,000,000. Generally, a public agency employment contract would not exceed either threshold.

³ In fact, the Agency Agreement uses the term "Deputy Executive Director." But we understand from the Redevelopment Agency that this term is used only to be consistent with Redevelopment Agency classifications for its employees (to avoid confusion with the Redevelopment Agency's Executive Director), and that it is intended to mean the Executive Director position for TIDA.

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

Memorandum

TO: Claudine Cheng, President
Members,
Treasure Island Development Authority

DATE: July 22, 2004

PAGE: 5

RE: Appointment of New Executive Director to the Treasure Island Development Authority

If TIDA enters into an individual employment contract, TIDA should cause the Agency Agreement to be amended to recognize the direct contract and the authority of the new Executive Director.

Please let me know if you have any further questions about the procedures for selecting a new Executive Director.

cc: Mayor Newsom
Members, Board of Supervisors
James Morales, General Counsel, San Francisco Redevelopment Agency





TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
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DRAFT Minutes of Special Meeting
Treasure Island Development Authority
August 4, 2004

City Hall, Room 416
1 Carlton B. Goodlett Place
San Francisco, CA

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1. Call to Order: 4:35 PM

Commissioner Po-Rufino called the meeting to order and welcomed new Commissioner Jared Blumenfeld to his first TIDA Board meeting

Roll Call Present: Susan Po-Rufino (Vice Chair)
Jared Blumenfeld
John Elberling
William Fazande
Marcia Rosen

Excused: Claudine Cheng (Chair)
Monique Moyer
Supervisor Chris Daly

Commissioner Po-Rufino asked for the Commission Secretary to read what revisions were recently submitted to the Commission

Commissioner Rosen asked if the Brown Act book and public binder contained all the correct up to date information

Commission Secretary Peter Summerville stated that there is a new resolution for Item #2, there is a new draft of the Employment Agreement and a new draft of the resolution for Item # 3 and there is a new draft of the resolution for Item #4 and a new appendix for Item #4 which is a draft letter modification to the Agency Agreement between TIDA and the San Francisco Redevelopment Agency. There were also two new communications received from Supervisor Tony Hall and Supervisor Matt Gonzalez.

2. Mr. Michael Cohen, Mayor's Office of Economic Development, stated that the Mayor has recommended that Supervisor Tony Hall replace Annemarie Conroy as Executive Director of the

Treasure Island Development Authority. The three resolutions before the Board implement this appointment. Should note for the record that changes to resolutions are minor changes and technical in nature. Stated that one more change is in the resolution for Item #2, there is a provision that the appointment become effective upon Supervisor Hall's resignation from the Board of Supervisors by 9 A.M. tomorrow, it is recommended that this time be changed to 3 P.M. for administrative convenience.

Commissioner Elberling asked if there was ever a letter received by the Board from the Mayor stating his recommendation of Supervisor Hall.

Mr. Cohen stated that he is not sure if a letter was sent, but he has communicated with the Mayor and is comfortable stating this recommendation for the Mayor to the Board

Deputy City Attorney Donnell Choy stated that Board President Claudine Cheng requested a memo from the City Attorney outlining the process by which a new TIDA Executive Director could be hired. This memo described the history of TIDA and the legislative establishment of TIDA. Relevant provisions for the hiring of a TIDA Executive Director are in California Redevelopment Law and the TIDA bylaws. Redevelopment Law authorizes a redevelopment agency to hire staff and set terms and conditions of employment, and the TIDA bylaws to largely the same. Presently, TIDA has no staff of its own, it is entered in an Agency Agreement with the San Francisco Redevelopment Agency, and was previously entered into an Agency Agreement with the City and County of San Francisco, by which the SFRA provides staff for TIDA. Under the new Agency Agreement with the SFRA, there was a list attached of individuals whom the SFRA agreed to hire for certain positions provided that those individuals terminated their employment with the City within a certain time frame and applied for employment with the Redevelopment Agency. The two methods by which TIDA can appoint a new Executive Director are amend the Agency Agreement so that the Redevelopment Agency can hire the new Executive Director as a direct employee of the Redevelopment Agency, or exercise the authority of the Board, as set forth in the bylaws, to hire its own staff and set the terms and conditions of employment for that staff. Three resolutions follow the path of TIDA directly contracting with Supervisor Hall to become TIDA Executive Director, provided that Supervisor Hall resigns from the Board of Supervisors by 3 PM tomorrow and that the San Francisco Ethics Commission provide a waiver of post-employment restriction currently required by City law.

Mr. Choy stated that questions have arisen concerning the City's post-employment restrictions and prior campaign contributions that Mr. Hall has received prior to this date. The City's post-employment restrictions limit Mr. Hall's ability to engage in certain types of activities on behalf of TIDA for one year after leaving office, but the Ethics Commission may grant a waiver of this prohibition if it determines that doing so would not create the potential for undue influence or unfair advantage. Ethics Commission is currently scheduled to meet at 5:30 P.M. today to consider Supervisor Hall's request for a waiver. Another consideration is the campaign contributions Mr. Hall has received to this date, and whether these would create a conflict of interest as well. Government Code Section 84-309 prohibits an officer of an agency influencing a decision on a license, permit or other entitlement for use before that agency if the officer knowingly received a contribution in excess of \$250 within the preceding 12 months. This code would apply to the head of TIDA, but this conflict could be avoided if Mr. Hall returned the contributions or recused himself from any proceeding in which a contributor has before TIDA.

Stated it is his understanding that Mr. Hall has indicated he will return any of these contributions received by this time.

Stated the Employment Agreement appoints Mr. Hall as Executive Director of TIDA and clearly states that Mr. Hall will be an employee of the Authority. Term of the Agreement runs until January 8, 2008 and the salary is \$159,998. Agreement includes yearly cost of living increases and incentive bonuses, subject to TIDA Board approval during their annual review of Mr. Hall's performance. Also provides that the Authority will provide Mr. Hall with health benefits at no cost to Mr. Hall. TIDA Board must pass a resolution requesting Mr. Hall be made eligible to participate in the City's Health Benefits System.

Commissioner Po-Rufino asked that Items # 3 and 4 be called at this time so that all items on the agenda can be discussed at once.

3 & 4 (called together): Deputy City Attorney Choy stated that Mr. Hall will also be provided pension benefits for Mr. Hall through PERS. Mr. Hall is granted four weeks of paid vacation and will have an annual review by the TIDA Board. Termination without cause will require 18 months of salary and health care benefits be provided to Mr. Hall, and termination with cause will result in no further compensation. Mr. Hall is also allowed to resign on his own with 45 days written notice to the Authority. In the even that TIDA is merged with another public entity, the agreement requires that the merged entity would assume the responsibilities of the contract.

Supervisor Tony Hall stated that he appreciated the opportunity to be considered for the job of Executive Director of the Treasure Island Development Authority. Stated he would like to get into the Board's questions.

Commissioner Po-Rufino asked Supervisor Hall what makes him the best, and only, candidate for this position.

Supervisor Hall stated he has been an administrator in seven different departments and all three branches of government in his 27 years working for the City of San Francisco. Has been responsible for facilities management, project development and budgetary allocation. In the last four years as a Supervisor he has specialized in major projects for the City including the rebuild of Ocean Avenue, raising the water level in Lake Merced, the redevelopment of Harding Park Golf Course, finished the enabling legislation for Laguna Honda Hospital and was responsible for spearheading the Youth Guidance Center project. All of these projects required extensive outreach and work with other local and State agencies. In the fifteen years prior to becoming a Supervisor he was an administrator for the Court, and the Civic Center courthouse was his idea and project, working with then City Administrator Rudy Nothenburg. Has also worked for the District Attorney's Office as Chief Administrator, worked with Harvey Rose in the Office of the Budget Analyst, worked at the Port of San Francisco as a personnel officer and spent the first seven years of his career as a field representative for the Civil Service Commission and then as a special assistant for Mayor Joseph Alioto. Stated his background is attacking projects and working with other agencies. Stated Treasure Island is a vision for all San Franciscans and thinks it can be the most important piece of real estate added to any city in the country. Would like to share the Board's vision in making that happen and is excited to be considered for the job

of Executive Director of TIDA. Believes what he and the Board will be returning to the City is much more than he can do currently as one district Supervisor. Encouraged the Board to look into his background, and assured the Board that he is here to work with them to complete the vision of Treasure Island.

Commissioner Rosen asked Supervisor Hall for his direct response to recent allegations in the press that he received an undisclosed amount for his then-supervisory campaign from individuals who represent an entity that the Authority currently has an exclusive negotiating agreement with. Said it is her understanding that he will return those contributions, but she would like to hear directly from him about this matter.

Supervisor Hall stated that these contributions were made nine weeks before the whole concept of his becoming Executive Director of TIDA came up. He did an extensive fundraising drive for District 7 Supervisor and he believes the specific campaign contributions came from 2 or 3 specific people at a joint fund-raiser and at the time he did not know who these people were specifically. Stated if you check campaign records these people also gave to most of the incumbent Supervisors running for re-election, and he didn't make a contact with Treasure Island, as that position was not even "on his radar screen" at the time of the contributions. Stated that the checks will be returned and that he is fairly independent with out specific political allegiances. He has voted over the years against people who have given him money and for people who have campaigned against him, money does not influence his decisions. If it would clear the issues he would return all the money donated from these specific individuals.

Commissioner Rosen thanked Supervisor Hall for his response. Stated she wasn't suggesting anything improper but just wanted to have his response to the issue on the public record.

Commissioner Elberling stated there are a couple dozen private sector contractors and lessees operating at Treasure Island. Not aware if any other of them have contributed to his campaign but it would be good to give him a list of all these lessees and contractors to make sure that any money contributed from any of these groups is returned as well.

Supervisor Hall stated he would be happy to comply with this

Commissioner Blumenfeld stated that on Treasure Island there is an inherited legacy of environmental abrogation on the part of the US Navy and others. Stated that Harding Park is one of the "greenest greens" in the country, the water level work at Lake Merced was a difficult task due to coordination with other districts, and the Laguna Honda Hospital will be the first lead sliver-green hospitals in the nation. Stated he believes that Treasure Island is a great model for future environmental sustainability, asked Supervisor Hall what his environmental vision is for Treasure Island and asked what his vision is for making Treasure Island an environmental model for the 21st Century.

Supervisor Hall stated that Treasure Island presents an ideal opportunity to "start from ground zero", and many of the buildings on Treasure Island will eventually have to be demolished. Stated he is totally committed to making Treasure Island a model of environmental sustainability

for the entire nation. Sustainability has been a priority in every project he has undertaken and believes he is on the same page with Commissioner Blumenfeld.

Commissioner Blumenfeld asked Supervisor Hall if he feels he is a tough negotiator and will be able to take on the US Navy over various environmental issues.

Supervisor Hall stated his negotiating for past complex projects including Harding Park and Lake Merced were difficult negotiations in which he was successful in obtaining a desirable outcome. Feels he can be a tough negotiator when necessary with the benefit of the greatest number of people in mind.

Commissioner Blumenfeld stated work should be done on establishing clear standards for the yearly performance review for the TIDA Executive Director, as outlined in the employment agreement.

Supervisor Hall stated he would be happy to sit down with the TIDA Board, either individually or collectively, to review what their expectations and their visions are for the project.

Public Comment:

Ms. Susan DiVicco, Treasure Island resident, stated that she would like the Board to weigh their decision carefully as TIDA leadership is integral to the lives of Treasure Island residents, especially children. Feels that currently residents aren't involved in the planning process for Treasure Island. Major issues are improving the lives of children on Treasure Island, giving residents more of a say in how TIDA money is allocated, and giving residents a fair say in how the housing rental money is being spent.

Mr. Mitchell Harrington, Treasure Island resident, stated that he does not know much about Mr. Hall's qualifications but he is against the appointment. Feels the appointment is politically expedient and urged the Board to consider more applicants for the position.

Ms. Ruth Gravanis stated that she was dismayed at the lack of information provided in the public packet for this meeting. There were no staff reports with recommendations, no mention of the Agency Agreement referenced in one of the resolutions, no resume or job description in the public packet. Stated she is happy to hear that Supervisor Hall has a dedication to public outreach and hopes that the public is better informed over these matters. Happy to hear the commitment to sustainable development and wanted to reinforce Commissioner Blumenfeld's call for measurable performance standards, especially adherence to sustainability standards set forth in the Reuse Plan.

Ms. Sherry Williams, Executive Director of the Treasure Island Homeless Development Initiative, stated that there has been an enormous amount of time and effort put into developing a plan for Treasure Island that incorporates people from all walks of life. In order to make an integrated community happen the commitment to a diverse community is necessary. Looking for a leader that can help bring the community together and meet un-met needs, which also assists

the long range plan for the Island. Hopes whoever is selected as the new Executive Director will work towards this vision.

Mr. Eugene Brodsky, member of the Citizens Advisory Board, stated that his concern is that the TIDA Board has received one recommendation for a particular candidate and is proceeding with that candidate. Concerned about lack of competition for the Executive Director position. This project is the "largest project in the City's history" and there are several major issues facing the project. This situation requires someone with expertise in many issues pertinent to the specific project and the selection process should be opened up to competition.

Mr. Richard Ow, member of the Mayor's Disability Council, stated that Supervisor Hall is popular with the elderly community and he hopes that senior citizens are remembered as well for the planning of Treasure Island. Urged the Board to appoint Supervisor Hall.

Mr. Marc Solomon, San Francisco District 6 resident, stated that he has total respect for Supervisor Hall's commitment to duty, his honor and his dignity. However he is concerned about aspects of the appointment. On the procedural side, Campaign and Government Conduct Code Section 3.206 precludes someone from voting on the budget for a project or office that they are having job discussions about. A recent newspaper articles indicates that the Mayor and Supervisor Hall discussed the Treasure Island job on the 19th of June and the TIDA budget was voted on July 13th. Also there are restrictions on post and pre-employment matters concerning the City and County of San Francisco, and debate remains over how TIDA relates to ethics laws. Purpose of TIDA is to develop a new neighborhood within District 6, stated he is concerned with Supervisor Hall's past record on the issue of affordable housing as it relates to the necessity for affordable housing as part of Treasure Island redevelopment.

Mr. Charles Marseller stated that he too believes that Supervisor Hall has high integrity. Stated that the TIDA Board should be aware that the Ethics Commission has the view that the conflict of interest process should be liberally and literally construed and the standards should not be circumvented by complex legal and technical matters. Fundamental concept is to maintain high standards and avoid even the appearance of conflict of interest, which is the question before the Ethics Commission tonight. Also stated that there is an extensive series of regulations for granting conflict of interest waivers that may not allow the Ethics Commission to act as expeditiously as requested.

Ms. Eve Bach, ARC Ecology, stated she is concerned about the process thrust on the public and the TIDA Board the way the appointment has been made. Stated she would like to underscore Mr. Brodsky's comments about the lack of competitive process, this is a position that requires much subject matter expertise. Astonishing to her that there was not a national search for candidates. This appointment places on the TIDA Board a greater responsibility to actively review staff work that comes before it, and not to assume that all of the recommendations received can be on their face value.

Commissioner Blumenfeld stated that it was his understanding that TIDA staff currently works for the SFRA and the Executive Director works for TIDA. Asked how this situation would legally work.

Deputy City Attorney Donnell Choy stated that there will be cooperation between the SFRA and TIDA, and the Agency Agreement is a temporary arrangement to begin with. Once TIDA has established health benefits and an agreement with CalPERS then the Agency Agreement would be terminated and TIDA would be able to hire its own staff to perform staff functions.

Commissioner Rosen stated that in some ways this arrangement can work well in that the proposed arrangement the Executive Director is directly responsible to the TIDA Commission and TIDA as an entity is purchasing professional services from the Redevelopment Agency, which has extensive experience in similar complex redevelopment projects. Just as the Director would manage the work of consultants, she would anticipate a cooperative relationship between the Director and temporary Redevelopment Agency employees working for TIDA

Commissioner Elberling stated that the affordable housing component of Treasure Island redevelopment is an important component to the redevelopment plan. Asked Supervisor Hall if he had any intent to retract or "cut down" the affordable housing component of the Treasure Island redevelopment plan.

Supervisor Hall stated that he absolutely did not intend to do this. On the Board of Supervisors he spearheaded a fairer conclusion to the affordable housing process, whereby each project results in so many affordable housing projects.

Commissioner Elberling reviewed a brief history of the incorporation of the TIDA Board and the organizational process which has brought TIDA to this point in its history. Stated that clearly former Mayor Brown set up the Treasure Island redevelopment project as a project under his control. However it is not proper to assume that this arrangement under the Mayor's office should be the arrangement under which TIDA operates forever. TIDA Board now has a turning point before it, as the interim phase ends and the major planning phase begins, as to what should be the nature of TIDA for the future. Should there even be a separate agency at all? Should the project go back to the Redevelopment Agency? Should another process be undertaken? Stated that the TIDA Board needs to do strategic planning. Everything up to this point has been "made up as it goes along". Stated that he doesn't think it is sufficient or competent professionally to undertake a billion dollar project such as this by "making it up as we go along". Stated a plan should be formulated for how the TIDA entity should be formulated for the next 10 years. What needs to be figured out is the best way to set up the operational and administrative infrastructure in the public interest.

Commissioner Elberling presented a memo stating his ideas concerning this necessary organization and requested that an item concerning this be placed on the September agenda. Stated that he believes strongly that department heads have the Mayor's support, nothing gets done without a "team process" and because of this reason he will be supporting Supervisor Hall's appointment. Stated that he appreciates the concerns of the Island resident who expressed concerns about services available to Island residents, but wanted to note that the main impediment the TIDA Board has had in terms of trying to do better with community services on the Islands has been City Hall pushing and shoving amongst the agencies where they "frankly avoid trying to do too much on Treasure Island". One strong point of Supervisor Hall's experience is his experience working with this type of "inside City Hall stuff" where budget

decisions and such are made behind the scenes. Hopes Supervisor Hall will be able to help with the process of getting more community services for Island residents. Expressed his hope that this is a turning point for everyone to start doing a much better job.

Commissioner Po-Rufino motioned for approval of Item #2
Commissioner Elberling seconded the motion for approval
The item was approved unanimously

There was no public comment on Item #3

Commissioner Fazande motioned for approval of Item #3
Commissioner Blumenfeld seconded the motion for approval
The item was approved unanimously

Deputy City Attorney Donnell Choy stated that for clarification the resolution for Item #4 amends the Agency Agreement to remove from Exhibit A of the agreement the Deputy Executive Director of TIDA and acknowledges that Mr. Hall is the Executive Director of TIDA under the employ of TIDA.

Commissioner Rosen stated that this amendment is contingent on Supervisor Hall fulfilling the preconditions to employment by TIDA. Stated that she would like to request the City Attorney provide in writing a confirmation once the preconditions of Mr. Hall's becoming Executive Director have been met. Would like this done in order to certify that the TIDA President is authorized to sign the Employment Agreement once the preconditions have been met as a matter of public record.

Deputy City Attorney Choy stated he would be happy to do this.

There was no public comment on Item #4

Commissioner Blumenfeld motioned for approval of Item #4
Commissioner Po-Rufino seconded the motion for approval
The item was approved unanimously

Commissioner Po-Rufino stated that on behalf of Commissioner Cheng and her other colleagues on the TIDA Board she would like to recognize former Executive Director Annemarie Conroy and invite her to the next TIDA Board meeting for recognition.

Commissioner Blumenfeld congratulated the new incumbent, Tony Hall, and suggested that TIDA staff look into holding the September TIDA meeting on Treasure Island.

5. Commissioner Elberling motioned for adjournment
The meeting adjourned at 5:55 P.M.



TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
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3F
T 74
8/11/04
TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA
August 11, 2004 1:30 P.M.

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Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

AUG - 7 2004

Gavin Newsom, Mayor

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DIRECTORS

Claudine Cheng, Chair
Susan Po-Rufino, Vice-Chair
Jared Blumenfeld
John Elberling

William Fazande
Monique Moyer
Marcia Rosen
Supervisor Chris Daly (*ex-officio*)

Tony Hall, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Report by the Executive Director (*Discussion Item*)
 - Report on access to Treasure Island including public use last month
 - Report on short-term leases
 - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
 - Report on Treasure Island community issues
 - Report on TIHDI
 - Financial Report
 - Legislation/hearings affecting Treasure Island
3. Report by Mayor's Office of Base Reuse and Development (*Discussion Item*)
 - Status of negotiations with U.S. Navy
 - Status of environmental clean up

- Status of master development planning process
 - Term sheet forward schedule
 - Update on wastewater treatment alternatives analysis

4. Communications (*Discussion Item*)
5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
6. Ongoing Business by Directors (*Discussion Item*)
7. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.***

8. CONSENT AGENDA

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a.) Approval of Minutes of June 9th, 2004 Regular Meeting and June 9th, 2004 Ad-Hoc Nominating Committee Meeting (*Action Item*)

9. Report on Market-Rate Housing Program Managed by John Stewart Company at Former Naval Station Treasure Island (*Discussion Item*)
10. Resolution Authorizing the Executive Director to Execute a Contract with TIHDI to Provide Supportive Housing and Community Programs in the Amount of \$365,000 (*Action Item*)
11. Resolution Authorizing the Executive Director to Execute a Contract with Rubicon Enterprises to Provide Landscape Maintenance Services in the Amount of \$800,000 (*Action Item*)
12. Resolution Authorizing the Executive Director to Execute a Contract with Toolworks to Provide Building Maintenance Services in the Amount of \$110,000 (*Action Item*)
13. Resolution Authorizing the Executive Director to Execute a Contract with Economic and Planning Systems to Provide Economic Consulting Services to Support Negotiations with the U.S. Navy and the Master Developer in the Amount of \$150,000 (*Action Item*)

14. Update on Ferry Terminal Location Alternatives Analysis (*Discussion Item*)
15. Resolution providing that the Executive Director of the Treasure Island Development Authority is eligible to participate in the Health Service System of the City and County of San Francisco, and providing for employer contributions for health benefits (*Action Item*)
16. Discussion of Future Agenda Items by Directors (*Discussion Item*)
17. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

Disability Access

The Treasure Island Development Authority meets at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible MUNI Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and

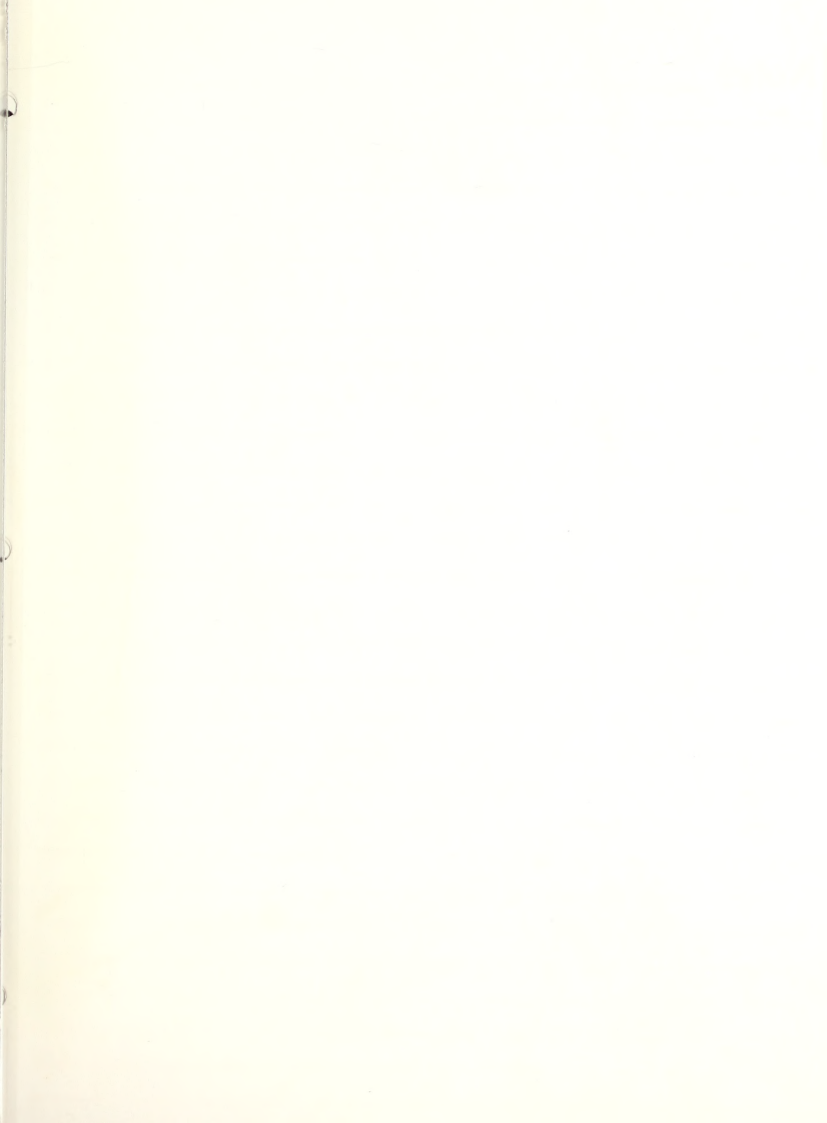
report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

Notes



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DENNIS J. HERRERA
City Attorney

MEMORANDUM

TO: All Elected Officials
All Board and Commission Members
All Department Heads

FROM: Dennis J. Herrera
City Attorney

DATE: August 2, 2004

RE: Political Activity By City Officers And Employees

As the November election approaches, the City Attorney's Office would like to take the opportunity to remind City officers and employees of the laws that restrict their use of City resources for political activities. To this end, I am providing to you this information sheet, which outlines the basic rules and principles governing the political activities of City officers and employees. These materials are intended as a general guide and are not a substitute for legal advice. Please contact the City Attorney's Office with any questions related to these materials or your participation in political activities.

Misuse of City Resources and Personnel

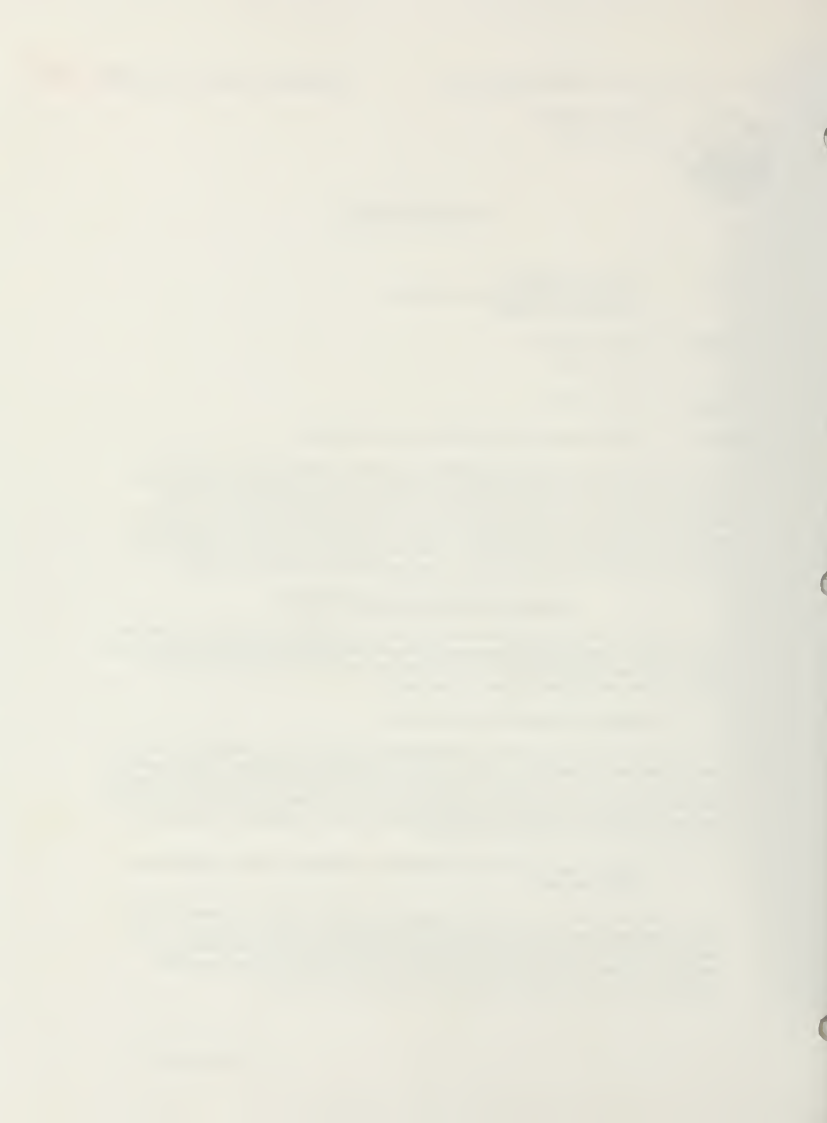
State law prohibits government employees from using City resources to support or oppose a ballot measure or the election or defeat of a candidate at the federal, state, or local level. Local law also prohibits City officers and employees from engaging in political activity during working hours or on City premises.

- **What is a misuse of City resources?**

Any use of City resources or personnel for political activity is prohibited. This ban prohibits any use of telephones, e-mail, copiers, fax machines, computers, office supplies or any other City resources for political purposes. City personnel's time and attention may not be diverted from their City duties for political purposes. Addressing envelopes, circulating petitions, soliciting contributions, making telephone calls, or engaging in similar types of campaign activity on City time is prohibited.

- **May a Board or Commission endorse a candidate or take a position on a ballot measure?**

The prohibition on use of City resources for political activity also means that City officers and employees may not use their official positions to influence elections. Thus, boards or commissions may not vote to endorse a ballot measure or a candidate. Nor may City officials distribute campaign literature at City events or include campaign literature in official mailings to employees or members of the public.



- **May City officers and employees analyze a ballot measure's effects?**

City officers and employees may lawfully use City resources (where budgeted for such a purpose) to investigate and evaluate objectively the potential impact of a ballot measure on City operations. The analysis may be made available to the public.

- **May City officers and employees respond to inquiries about a measure?**

City officers and employees may respond to public requests for information, including requests to participate in public discussions about ballot measures, if the officer's or employee's statements are limited to an *accurate, fair, and impartial* presentation of relevant facts to aid the voters in reaching an informed judgment regarding the measure.

- **What is an objective and impartial presentation?**

Courts will evaluate materials prepared or distributed by a public entity in terms of whether they make a balanced presentation of facts designed to enhance the ability of the voters intelligently to exercise their right to vote, or whether the communications promote a particular position for or against a ballot measure. City officers and employees who are considering providing the public with an informational presentation regarding a ballot measure should consult in advance with the City Attorney's office.

- **What are the penalties for violating the law?**

Courts may impose considerable penalties for violation of these laws. Under State law, misappropriating public funds is a felony punishable by imprisonment and a ban on holding public office in the State. Under local law, use of City funds for political or election activities also may be deemed official misconduct that justifies removal of a public officer, or cause to fire a public employee. The conduct of City officers and employees also may risk liability for the City. For example, the Fair Political Practices Commission ("FPPC") fined the County of Sacramento \$10,000 for failing to report the use of public funds to prepare and distribute pamphlets on pending ballot measures.

Off-Duty Political Activities By City Officers and Employees

City officers and employees have a First Amendment right to engage in political activities while off duty. As a general rule, officers and employees may take a public position, as private citizens, on an electoral race or a ballot measure. But some restrictions on off-duty political activities apply. For example, federal law imposes restrictions on the off-duty political activities of local employees whose principal employment is in connection with federally funded activity. San Francisco also restricts the off-duty political activities of certain officers and employees, including the Ethics and Election Commissions and their employees, and the City Attorney. Finally, local law imposes off-duty restrictions on all City officers and employees.

- **May City officers and employees use their official titles in campaign communications?**

As long as they are not otherwise using City resources to do so, City officers and employees may use their official titles in campaign communications. But it must be clear from the tenor and nature of the communication that the City officer or employee is making the communication in his or her personal capacity and that his or her title is being used for identification purposes only.



- **May City officers and employees solicit campaign contributions from other City officers and employees?**

City officers and employees may not directly or indirectly solicit funds from other City officers or employees or from persons on City employment lists. This prohibition does not preclude a City officer or employee from requesting political contributions from other City officers or employees if the request is part of a solicitation made to a significant segment of the public that may include officers or employees of the City.

- **May City officers and employees engage in political activities on City premises?**

City officers and employees may not participate in political activities of any kind while on City premises. For the purposes of this prohibition, City premises includes all City property other than property that is made available to the general public to use for political purposes.

- **May City officers and employees engage in political activities while in uniform?**

City officers and employees may not participate in political activities of any kind while in uniform. For the purposes of this prohibition, a City officer or employee is in uniform any time he or she is wearing all or any part of a uniform that he or she is required or authorized to wear when engaged in official duties.

- **What are the penalties for violating these laws?**

A knowing or willful violation of these laws is a misdemeanor, which could result in fines of up to \$10,000 per violation and incarceration in the county jail for up to one year. Violations of these laws may also subject an individual to civil and administrative penalties of up to \$5,000 per violation.

OTHER ELECTION RELATED LAWS

The following laws frequently present questions during an election period:

Mass Mailings at Public Expense

In addition to the general prohibition against using public resources or personnel to engage in political activity, City officers and employees are prohibited from sending at public expense, non-political newsletters or mass mailings that feature or make reference to an elected official. A non-political newsletter or mass mailing is prohibited if all of the following four requirements are met:

- **Sent or delivered.** The item is sent or delivered by any means to the recipient at his or her residence, place of employment or business, or post office box.
- **Features an elected official.** The item sent either features an elected officer affiliated with the agency that produces or sends the mailing, or includes the name, office, photograph, or other reference to an elected officer affiliated with the agency that produces or sends the mailing, and is prepared or sent in cooperation, consultation, coordination, or concert with the elected officer.
- **Paid for with public funds.** Any of the cost of distribution is paid for with public moneys or costs of design, production, and printing exceeding \$50 are



paid with public money, and the design, production, or printing is done with the intent of sending the item other than as permitted by this regulation.

- **More than 200 items in a single month.** More than 200 substantially similar items are sent in a single calendar month.

Taken literally, this prohibition would preclude any large mailing at public expense, including many mailings essential to the operation of government, such as tax notices, sample ballots, and meeting agendas. To avoid this result, the FPPC has promulgated clarifying regulations that exempt certain types of mailings. For example, the prohibition does not apply to press releases and intra-office communications. Please check with the City Attorney's office if you have any questions about the mass mailing rule.

Use of City Funds for Political Purposes by Recipients of City Contracts, Grants and Loans

Local law prohibits the recipients of City contracts, grants and loans from expending any City funds to participate in, support, or attempt to influence a political campaign for any candidate or ballot measure. Any violation of this prohibition is deemed a material breach of the contract, grant agreement, or loan agreement. The Controller is required to audit at least ten recipients of City contracts, grants and loans each year to ensure compliance with this prohibition and is required to bar any recipient who violates this prohibition from receiving any other City contracts, grants, or loans for two years.

Campaign Contributions

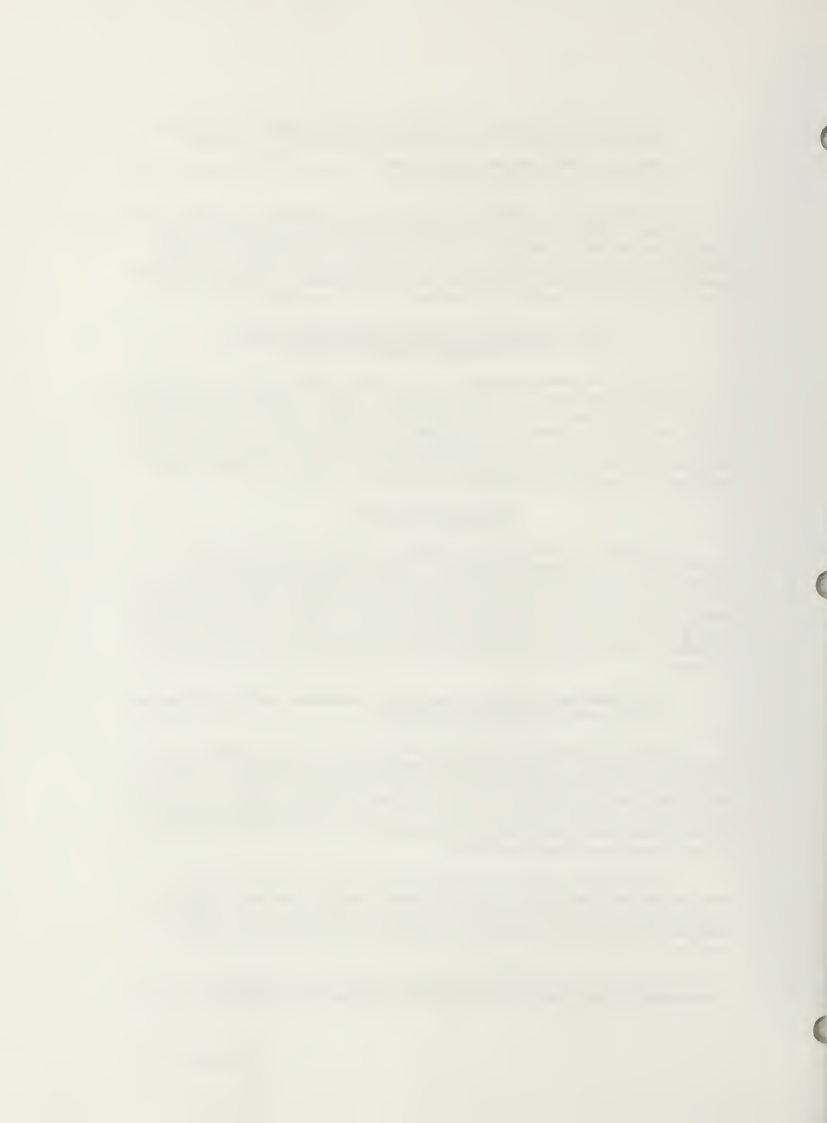
As a general rule, the receipt of campaign contributions is not the basis for disqualification from a government decision. One exception to this general rule is Government Code § 84308, which restricts the ability of members of appointed boards and commissions to seek political contributions from participants in certain proceedings. Section 84308 includes two separate prohibitions: (1) a restriction on seeking campaign contributions from participants in proceedings before the board or commission; and (2) a restriction on making decisions affecting a source of campaign contributions in the prior 12 months.

- **May members of appointed boards and commissions solicit contributions from persons in a pending proceeding?**

Members of appointed boards and commissions may not solicit, accept or direct campaign contributions of more than \$250 from any party to or participant in any use entitlement proceeding pending before the board or commission, *during the proceeding or for three months after the final decision is rendered* in the proceeding. The prohibition does not apply to a body, such as the Board of Supervisors, whose entire membership is elected. But the prohibition would apply to members of the Board of Supervisors when they sit as members of an appointed body.

This rule applies whether the contributions are sought for the official or for someone else, and whether the contributions come directly from the party or participant, or are made by an agent acting on behalf of the party or participant. The prohibition applies to contributions for candidates or ballot measures in federal, state, or local elections.

An official does not violate this rule if the official makes a request for contributions in a mass mailing sent to members of the public, to a public gathering, in a



newspaper, on radio or television, or in any other mass medium, provided it is not targeted to persons who appear before the board or commission. An official does not engage in a solicitation solely because his or her name is printed with other names on stationery or letterhead used to ask for contributions.

- **What is a “use entitlement proceeding?”**

A “use entitlement proceeding” is a government action granting, denying, revoking, restricting or modifying a license, permit, or other entitlement for use. Use entitlement proceedings include proceedings on all business, professional, trade and land use licenses and permits, as well as other entitlements for land use, all contracts (other than competitively bid, labor or personal employment contracts) and all franchises. Decisions on general plans, general building or development standards, or other rules of general application are not use entitlement proceedings.

- **Who is a party or participant?**

A “party” is a person, including a business entity, who files an application for, or is the subject of a use entitlement proceeding. A “participant” is any person who is not a party to a proceeding but who (1) actively supports or opposes a particular decision (*i.e.*, lobbies the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence the decision of the officers of the agency), and (2) has a financial interest in the decision. An “agent” is an individual who represents a party or participant in a proceeding. If an individual agent is also acting as a member of a law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

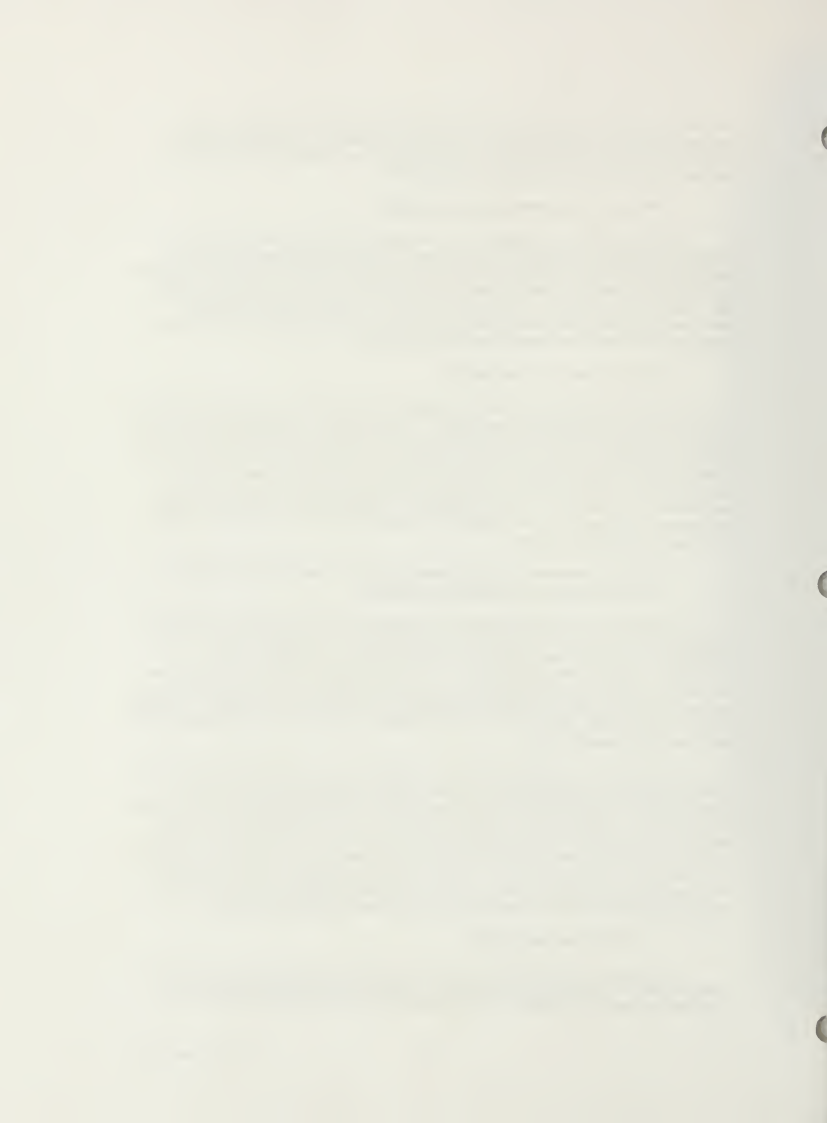
- **When is a member of an appointed board or commission disqualified from proceedings involving a contributor?**

A member of an appointed board or commission may not participate in any use entitlement proceeding involving a party or participant (or their agent) from whom the official received a contribution of more than \$250 in the 12 months before the proceeding. The \$250 threshold applies to the combined total of all contributions from the party or participant and from an agent of the party or participant. Disqualification is required only if the official received a contribution for himself or herself in the 12 months before the proceeding. Soliciting contributions before a proceeding begins does not, by itself, require disqualification.

A member of an appointed board or commission may avoid disqualification if he or she returns the contribution (or the portion in excess of \$250) within 30 days of learning of the contribution and the pendency of a use entitlement proceeding involving the contributor. Before the body renders a decision in a use entitlement proceeding, members of appointed boards and commissions must disclose on the record all campaign contributions totaling more than \$250 received in the preceding 12 months from parties to or participants in the proceeding. If there is a public hearing, the official must make the disclosure on the public record at the beginning of the hearing. If no public hearing is held, the disclosure must be included in the written record of the proceeding.

- **What are the penalties?**

A knowing or willful violation of section 84308 is a misdemeanor, which could result in fines of up to the greater of \$10,000 or three times the amount of the illegal contributions and incarceration in the county jail for up to one year, as well as



prohibitions on being a candidate for public office or acting as a lobbyist for four years. Violations of this section may also subject a person to civil and administrative penalties of up to \$5,000 per violation.

MEMORANDUM: August 4, 2004

TO: Treasure Island Development Authority Commission
FROM: John Elberling, Member

RE: The Necessity of Strategic Planning for TIDA's Future

I am distributing this Memorandum today with the request that the general topic of long-range organizational planning for TIDA be calendared as a discussion item at the August 11 meeting.

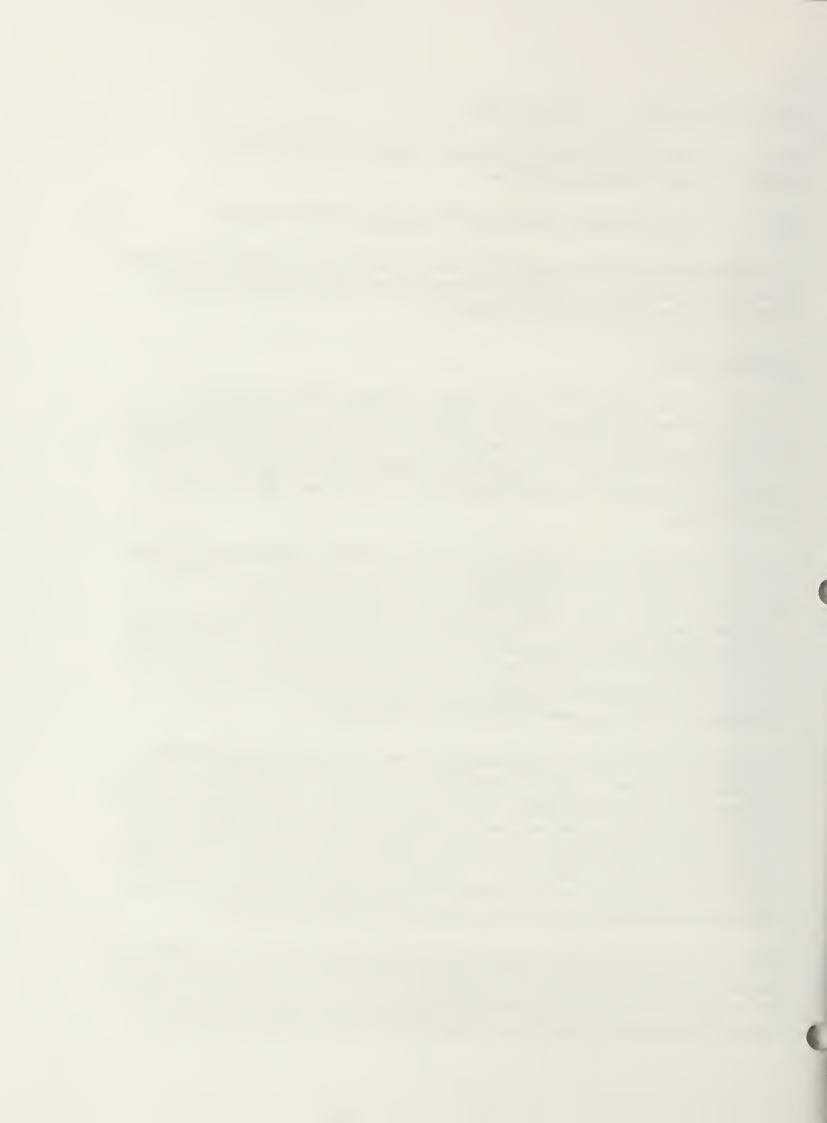
History to Now

TIDA was created in 1997 at the direction of Mayor Brown with the approval of Board of Supervisors, as authorized by special State legislation that uniquely allowed a second redevelopment agency to be established in the city of San Francisco. Its current governance, operating structure and operating procedures were all determined at that time in the course of those decisions.

Prior to the Mayor's surprising announcement that a single-project TIDA would be set up as, functionally, part of the Mayor's Office, it had been assumed that the Treasure Island Base Reuse Project would be implemented primarily by the San Francisco Redevelopment Agency, just as it had undertaken the Hunter's Point Shipyard Base Reuse Project. The joint City/SFRA/Port process to develop the initial federally-required Base Reuse Plan had started during the Jordan administration, and it was completed in 1996, the year Mayor Brown took office.

But there had been no civic planning process of any sort leading to this fundamental project organizational structure change. The Base Reuse Plan addressed future development of TI, but assumed it would become another SFRA redevelopment project area; no other implementation organization was discussed. As his first response to the Base Reuse Plan, the Mayor had appointed a mayor's "Task Force" to guide the project, separate from the standing Redevelopment Commission but only advisory in nature. It was still assumed SFRA would be the primary implementing agency.

Hence it was quite a shock when Mayor Brown told Task Force members in his office early in 1997 that "I'm taking it over." The Mayor's stated reasons at the time for this unique approach were, in general, that it would afford higher City priority for this important project, and enable the Mayor to



become more directly involved in its realization (see attached Chronicle article of July 3, 1997, for contemporary comments).

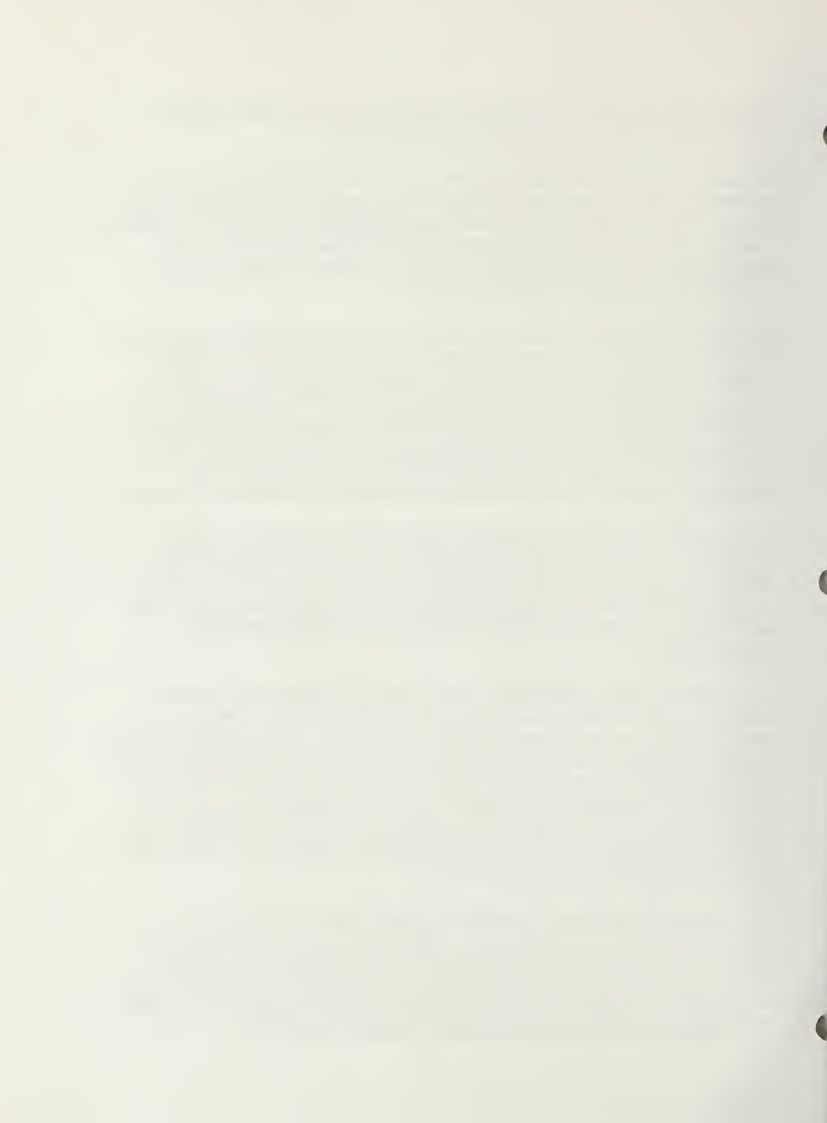
Since there has been for years a general civic understanding of how SFRA undertakes major redevelopment projects, it was generally assumed that the new TIDA would follow the same general approach. But whereas SFRA already had a fully developed organizational infrastructure with fully developed implementing mechanisms, TIDA would necessarily have to create all that it would need "from scratch."

Since 1997 TIDA has continued in the Project Planning/Interim Operations phase. For many valid reasons, the project planning and Navy transfer process, extensively supported by development professional consultants, has proved far more complex than anticipated in 1997 and remains to be completed, hopefully in 2005. TIDA's interim operations, however, have been a dramatic success, notably bringing more than 850 rental housing units on-line during the City's critical housing crisis of recent years, including almost 200 units for formerly homeless individuals and families.

To implement the interim operations, TIDA has developed an ad hoc approach to "get the job done," combining "work order" support from various City agencies, notably the Department of Public Works and City Attorney, with other program responsibilities covered by contractors and sub-lessees, in particular the John Stewart Co. and TIHDI members organizations.

The current working assumption is that some or all responsibilities for interim operations will be assumed by the master developer beginning at some certain point and phased-in over some period of time. But none of the many details of how this will work and what TIDA will remain responsible for instead of the master developer have been figured out yet. The overall development agreement "term sheet" economic negotiations need to be resolved first, and very significantly, the long term splitting of operational responsibilities between TIDA and the master developer also remain to be determined as part of those negotiations.

Most recently, to address imperative personnel issues resulting from current City civil service procedures, TIDA approved transfer of all staff from the City to SFRA. This is another ad hoc arrangement for interim administrative operations; other functions continue to be implemented by City agencies. Staff has said that this is a temporary arrangement pending establishment of TIDA as an independent entity/employer.



However, in fact TIDA has no organizational plan, administrative plan, business plan, or any other kind of plan that has been drafted, evaluated, publicly reviewed, and approved by the TIDA Commission, the Mayor, and Board of Supervisors to guide all the crucial issues of its organizational and operational structure for the long term. We have been "making it up as we go along." This is clearly not appropriate for conduct of a civic enterprise of this scale.

The standard method to address such organizational planning is strategic planning to identify and address the "big issues," followed up with more detailed operational plans with the important details. The "founding vision" of the previous mayor has clearly been superceded by the course of actual events over time and can no longer be considered automatically valid or justifiable. Mayor Brown, of course, is no longer in office and his intended personal role in the project is moot.

If TIDA fails to do this, it would thereby fail to demonstrate the basic organizational competency necessary for any major redevelopment undertaking such as the Treasure Island Project. In that case, the overall project should revert the San Francisco Redevelopment Agency.

Threshold Issues

A strategic planning process starts with some type of "scoping" discussion. For TIDA, the list of major questions to be addressed would include:

- **TIDA's Operational Role/Function in the Overall Long-Term Project**

In addition to the standard questions of financing mechanisms, bonds, community facilities district(s), enterprise revenue sharing, etc., and how the project's financial structure will work, there are the questions of monitoring compliance with regulatory obligations, affordable housing and community benefit programs, and what project program(s) might be implemented by TIDA directly or through contractors other than the master developer.

- **TIDA's Organizational Structure**

Once the Role/Function are understood, the organizational options to carry that out can be rationally discussed, such as who the staff



works for, who conducts financial activities, etc. There are three alternatives – TIDA as a special City agency, TIDA as an independent entity, or TIDA operations being subsumed within SFRA.

- **TIDA's Governance Structure**

One outcome of the initial discussion when TIDA was founded in 1997 is that both the Mayor and the Board of Supervisors have significantly more direct authority in TIDA's activities than either does with SFRA.

The Mayor appoints (and can remove) all 7 TIDA commissioners "at will," and three are, uniquely, ex officio department heads who are effectively members of a mayor's administration (SFRA commissioners all have fixed terms).

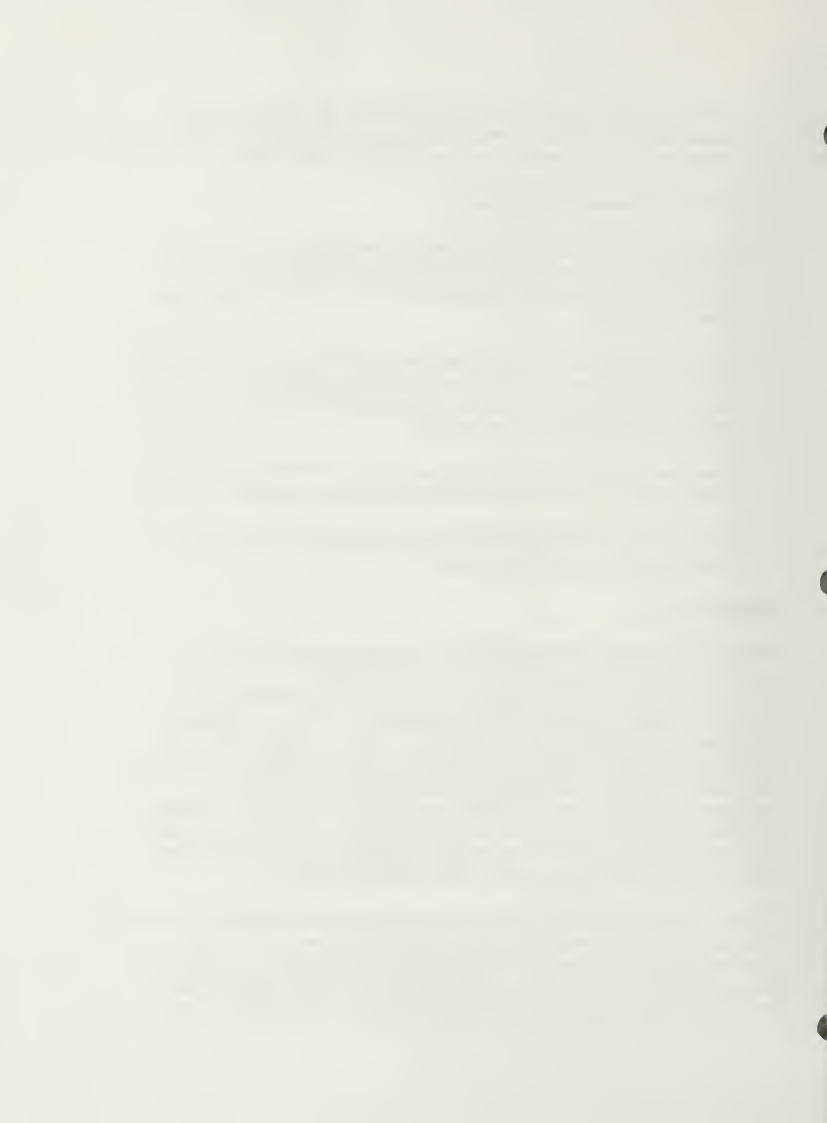
The Board must specifically approve all major TIDA contracts and leases (SFRA is almost fully independent in this regard).

The question is whether these initial arrangements should be continued, or more or less revised.

Overall Vision

TIDA's singular origin has resulted in an important and different redevelopment prototype for San Francisco, compared to SFRA. Since TIDA is dedicated to only one project, one area, it has enabled all concerned – staff, contractors/lessees, the Mayor's office, the Board of Supervisors, community groups, interest groups – to focus on this one "new neighborhood" project in an effective way (the staff even works on-site). There may be real advantages to this approach for public participation and civic accountability, especially in the current "interim" and ultimate post-development long-term operational phase, when the local "stakeholder" issues of day-to-day operation become paramount, rather than the initial high-profile "deal-making" decisions.

A TIDA strategic planning process must take this overall alternate vision of "localized redevelopment" into full consideration, pro and con. Just because this approach has been ignored since SFRA began its large scale projects in the 1960's on a city-wide basis does not mean it should have been. It may be a superior approach for the project and public interest.



Development Team For Treasure Island

3 S.F. department heads named to panel

By Edward Epstein
Chronicle Staff Writer

Mayor Willie Brown appointed a five-member commission yesterday to oversee the operation and development of Treasure Island, the former Navy base in the bay that he sees as a job-producing engine for the city.

The mayor took an unconventional approach in his appointments by naming three department heads already heavily involved with development issues to the new Treasure Island Development Authority board.

They are planning director Gerald Green, port director Doug Wong and director of the Redevelopment Authority, James Morales.

Brown said he is giving them a mandate to jump start development on the island.

"The board ought to be people like the planning director and the port director," he said before naming the commission. "This will smooth out the planning process," added Brown, who often lambast-

es the city's protracted process for reviewing development projects.

He said the three department heads will serve for no more than a year. He hopes that is enough time to set the island on a path that eventually will produce about 5,000 seasonal and permanent jobs.

The other two members are Pacific Exchange vice president Dale Carlson, who will serve as chairman, and John Elberling of Tenants and Owners Development Corporation, which develops low-cost housing in the South of Market area.

Brown accepts the plan already drawn up for the island. This includes recreational uses, as well as keeping a Job Corps site, moving a women's jail to the island, and having a Fire Department training facility.

He also has suggested moving the city Police Academy to the island.

There would also be transitional housing for the homeless, at least for the short-term.

But the mayor admits that



Willie Brown
sees Treasure
Island as a
lucrative
opportunity

what really interests him about Treasure Island is the idea for a multibillion-dollar development of condominiums, hotels, retail space and a theme park.

On his trip to Hong Kong in the spring, Brown talked to representatives of billionaire Li Ka-Shing and others about the island.

Brown said he views the island as such a lucrative development that he wants developers who bid on the project to offer the city help in other areas as a condition of participating in the island's makeover.

"Treasure Island is a no-brainer. Any major developer could do it," he said. "We're going to turn it into another Tiburon or Belvedere."

For instance, Brown said, he wants the developers to help rebuild the port by "bringing ships and other maritime uses to the waterfront."

The city takes control of the naval base on October 1.

Treasure Island Bill Advances in Senate

Chronicle Sacramento Bureau

Sacramento

Over the objections of Senator Quentin Kopp, independent-San Francisco, a Senate committee narrowly approved a bill last night that would allow San Francisco supervisors to create a new agency to oversee development of Treasure and Yerba Buena islands.

Mayor Willie Brown already has named five members of the Treasure Island Development Authority even though the Legislature has not yet passed the bill to create the agency.

For a while last night, it looked as though the mayor might not get his agency. Kopp opposed the bill because, he said, it circumvented civil-service hiring practices and required reviews of contracts by the Board of Supervisors.

A 3-to-1 vote within the committee to the Rules Committee.

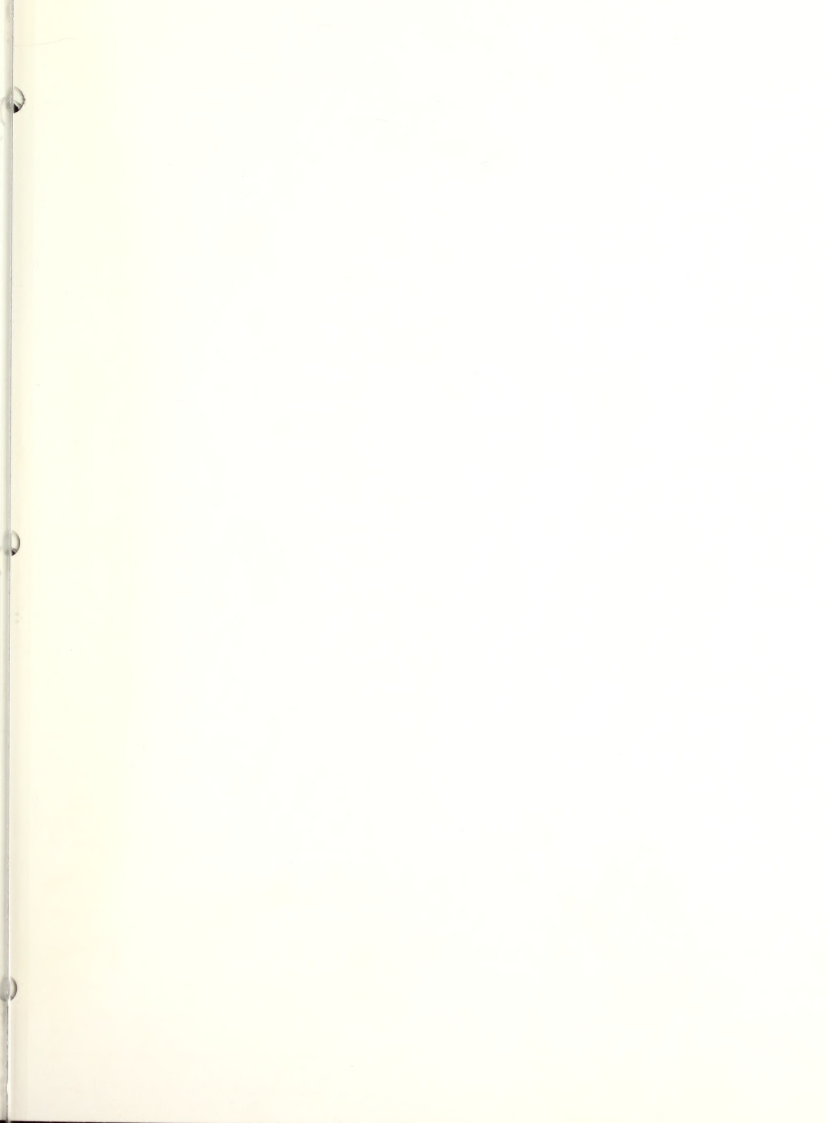
BOYCOTT

From Page A11

city's new domestic partner laws for bringing benefit issues to the forefront at United. But there's a limit to the role the city should play, he suggested.

"We'd like to see the board not initiate a boycott," Tomb said. He pointed out how many gay activists still avoid drinking Coors beer, even though the gay boycott of the company ended a decade ago. "They have a myriad of other avenues," he said, "such as holding off on contracts."

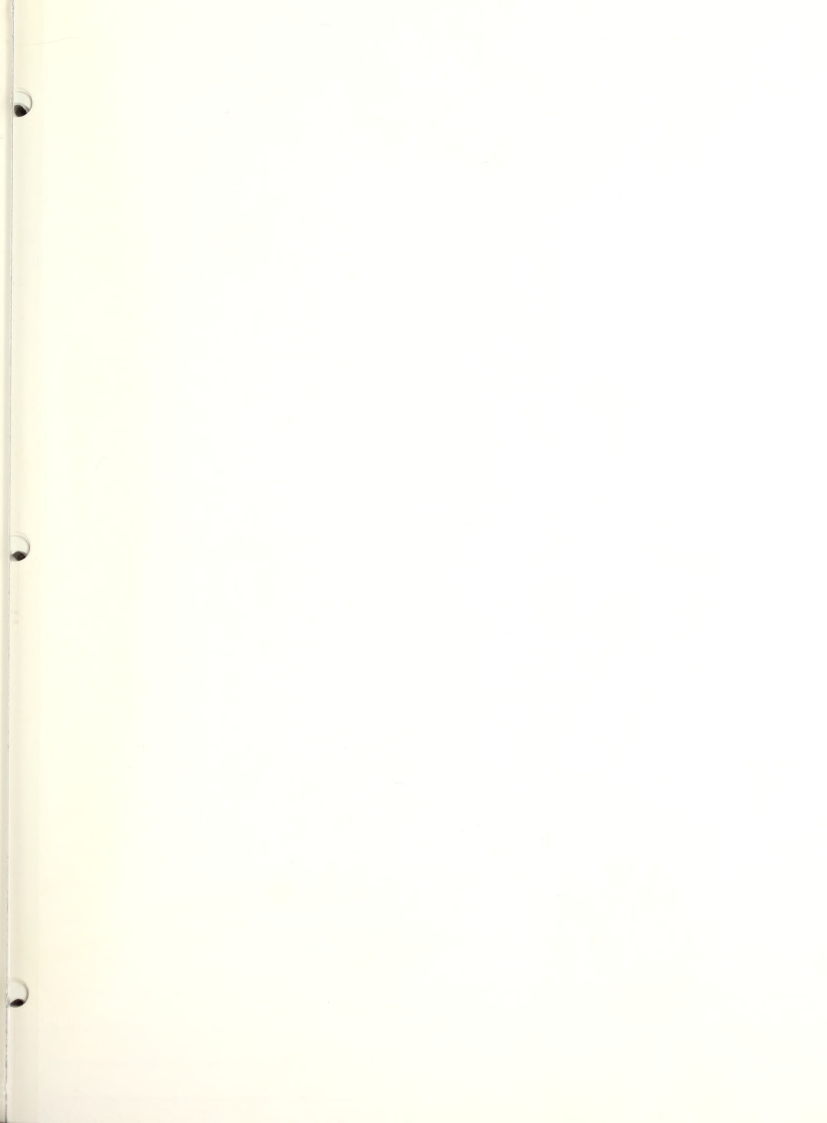




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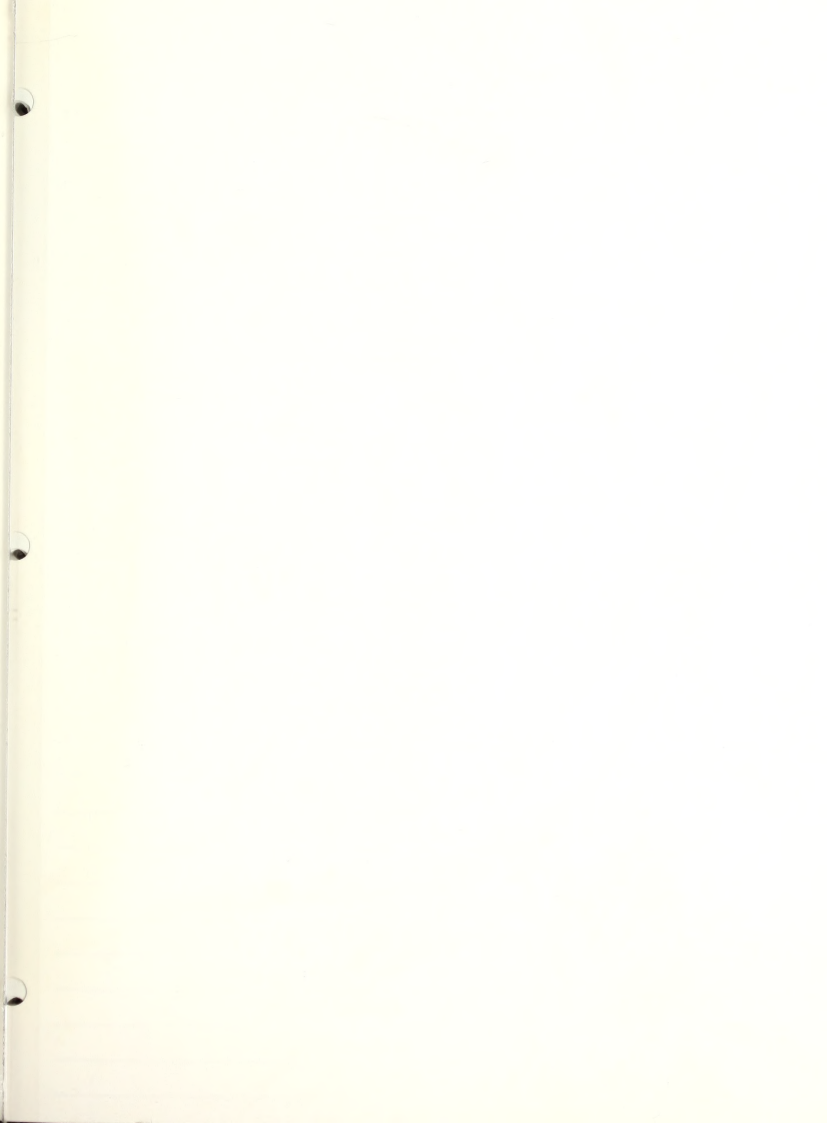


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Lined paper for notes.



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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Execute a Contract with the Treasure Island
Homeless Development Initiative for an Amount
Not to Exceed \$365,000 (Action Item).

Agenda Item No. 10
Meeting of August 11, 2004

Contact/Phone: Tony Hall, Executive Director
Tina Pasco-Sanchez, Project Administrator
274-0660

BACKGROUND

TIHDI, a consortium of nonprofit organizations providing services to homeless and other economically disadvantaged San Francisco residents, is a California nonprofit corporation organized to utilize the resources of former Naval Station Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.

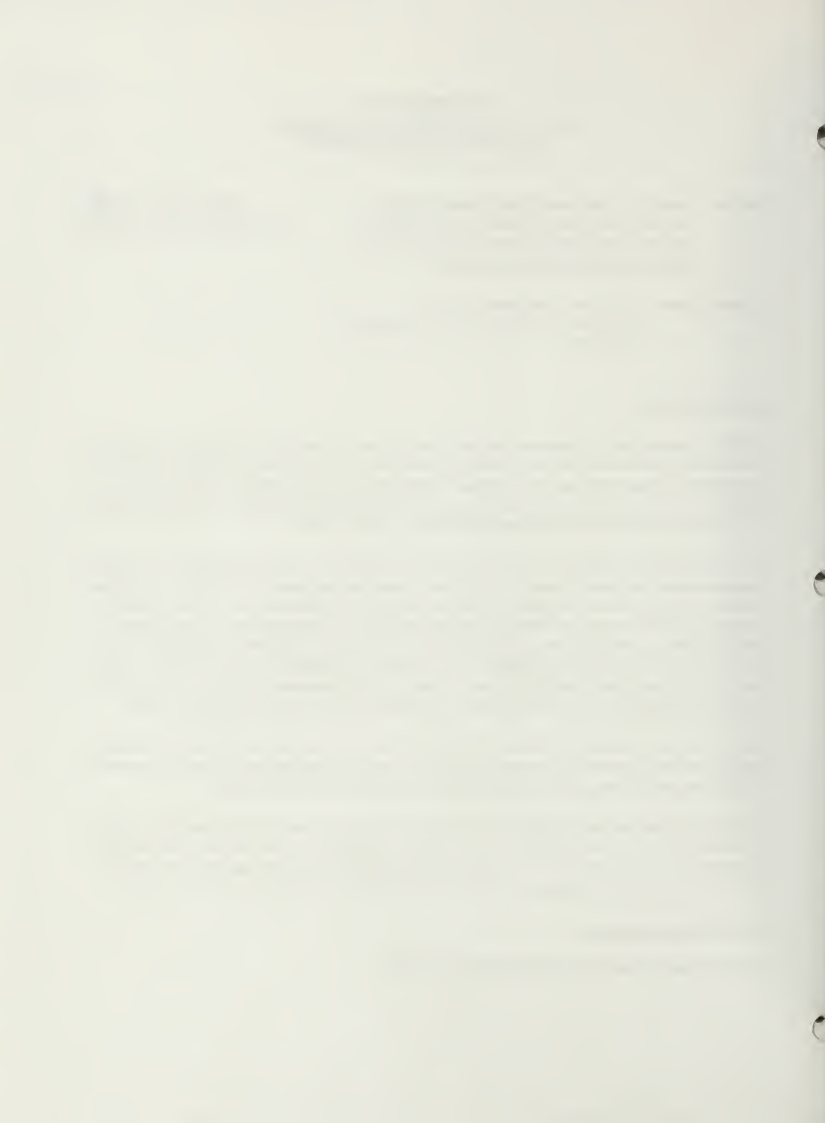
The recommended support for TIHDI will come from the revenues generated by leasing Treasure Island facilities. There are two primary tasks for the contract with TIHDI, which are outlined in the attached Description of Services and Budget attached to the contract. Task One consists of TIHDI's role in coordination and facilitation of the participation of community-based homeless service organizations in the development of plans to implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property on Treasure Island and Yerba Buena Island; development and occupancy of the remaining housing units allocated to TIHDI; and operation of a job broker system. The contract provides \$100,000 for this work.

Task Two has a budget of \$265,000 to support the provision and facilitation of recreation services, including facilitating the operation of the Treasure Island Gymnasium and the provision of other recreational programs for youth and adult residents on Treasure Island.

The total contract amount is \$365,000 and the term of the proposed contract covers the period from September 1, 2004 through June 30, 2005. In addition to the contract and budget, a summary of TIHDI's goals and accomplishments in FY 2003-2004 and TIHDI's proposed overall FY 2004-2005 budget are attached as exhibits for the information of the TIDA Board.

RECOMMENDATION

Staff recommends approval of the contract with TIHDI.



EXHIBITS

- A TIHDI Final Report for FY 2003-2004
- B Contract with TIHDI
- C Proposed TIHDI Budget for FY 2004-2005

1 [TIHDI Contract]

2 RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT
3 WITH THE TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE, A CALIFORNIA
4 PUBLIC BENEFIT CORPORATION, FOR AN AMOUNT NOT TO EXCEED \$365,000 FOR
5 THE PERIOD FROM SEPTEMBER 1, 2004 TO JUNE 30, 2005.
6 .

7 **WHEREAS**, Naval Station Treasure Island is a military base located on Treasure
8 Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United
9 States of America ("the Federal Government"); and,

10 **WHEREAS**, Treasure Island was selected for closure and disposition by the Base
11 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
12 subsequent amendments; and,

13 **WHEREAS**, In 1995, the General Services Administration and the Bureau of Land
14 Management determined that Yerba Buena Island was surplus to the Federal Government's
15 needs and could be transferred to the administrative jurisdiction of the Department of Defense
16 under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure
17 Island; and,

18 **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
19 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
20 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
21 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
22 conversion of the Base for the public interest, convenience, welfare and common benefit of
23 the inhabitants of the City and County of San Francisco; and,

24 **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended
25 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter



1 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority
2 as a redevelopment agency under California redevelopment law with authority over the Base
3 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
4 Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer
5 the public trust for commerce, navigation and fisheries as to such property; and

6 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
7 redevelopment agency for Treasure Island in 1997; and,

8 WHEREAS, the City and County of San Francisco negotiated a proposed Base
9 Closure Homeless Assistance Agreement and Option to Lease Real Property with the
10 Treasure Island Homeless Development Initiative, a California nonprofit corporation organized
11 to utilize the resources of former naval base Treasure Island available to help fill gaps in the
12 continuum of care for homeless persons and families, pursuant to the Base Closure
13 Community Redevelopment and Homeless Assistance Act of 1994; and,

14 WHEREAS, On July 25, 1996, the Board of Supervisors passed Resolution 672-96,
15 authorizing sole source negotiations with the Treasure Island Homeless Development
16 Initiative and its member organizations; and,

17 WHEREAS, the Authority wishes to support the Treasure Island Homeless
18 Development Initiative pursuant to the Base Closure Community Redevelopment and
19 Homeless Assistance Act of 1994; and

20 WHEREAS, the Contractor represents and warrants that it is qualified to perform the
21 services required by Authority as set forth under this Contract; and

22 WHEREAS, the Authority has negotiated with the Contractor to reach agreement on
23 the scope of work, and budget for the services shown in the Contract; now, therefore be it

24 RESOLVED, That the Authority hereby authorizes the Executive Director of the
25 Authority to execute a contract with Treasure Island Homeless Development Initiative, a



1 California public benefit corporation, for an amount not to exceed \$365,000 to coordinate and
2 facilitate implementation of the proposed Base Closure Homeless Assistance Agreement and
3 Option to Lease Real Property for former Naval Station Treasure Island and provide
4 recreational programs for residents of the islands.

5
6 **CERTIFICATE OF SECRETARY**
7

8 **I hereby certify that I am the duly elected and acting Secretary of the Treasure**
9 **Island Development Authority, a California nonprofit public benefit corporation, and**
10 **that the above Resolution was duly adopted and approved by the Board of Directors**
11 **of the Authority at a properly noticed meeting on August 11, 2004.**
12

13 **Susan Po-Rufino, Secretary**
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80000 SERIES

30% P.C.W.

RECYCLED

Final Report for the Treasure Island Development Authority

Agency: Treasure Island Homeless Development Initiative

Contract Year: July 2003 through June 2004

Task One

Goals & Objectives & Accomplishments

1). Coordinate and facilitate the participation of community-based homeless service organizations and coordinate activities with all public and private agencies operating on former naval base Treasure Island *in the development of long term plans* to implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property on Treasure Island and Yerba Buena Island.

- Provided consultation on the affordable housing component of the proposed development plan by TICD. This included convening housing members to review financing proposals & assumptions by developer, working with an affordable housing financial consultant and providing specific feedback on housing proformas developed by TICD.

2). Coordinate and facilitate the participation of community-based homeless service organizations activities with all public and private agencies operating on former naval base Treasure Island *in the current implementation* of the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property.

Specifically:

Operate the Job Broker System for island employers to fulfill hiring objectives outlined in their leases and/or contracts with the TIDA.

- While employment opportunities on TI has significantly decreased since housing renovation has stopped, TIHDI has continued to work with island employers to identify and fill job opportunities. TIHDI has also identified other opportunities for island residents to pursue as well as hired island residents to assist in the recreation program. There were 10 homeless placements in short term and long term jobs on the island. In addition, 16 formerly homeless residents were hired to work on the TI Tri-Athalon. TIHDI has worked with the City's Department of Elections who has conducted a few orientations for people interested in doing poll work. 3 residents were hired as a result of this outreach.

Coordinate community involvement in planning and implementation of recreation activities on the island for island residents.

- TIHDI organized a number of community-wide meetings specific to recreation programming on the island and attended a number of community-wide and committee

meetings to get feedback on current recreation offerings such as type of classes and hours offered. Classes were added or dropped depending on community input (and ultimately, participation). TIHDI also offered tours of the gym and is in process of compiling the results of a new island wide survey of residents.

Facilitate dissemination of information to TIHDI residents regarding environmental issues impacting Treasure Island.

- TIHDI continues to distribute environmental reports to members as well as refers any concerns and questions to the appropriate entities, provides information regarding soil disturbance & digging permits.

Secure and manage funding contracts for the Boys & Girls Club for after school and summer programs for island residents on Treasure Island.

- TIHDI secured & managed \$108,000 from DCYF and \$115,000 from the Schwab Foundation to support the Boys & Girls Club of SF Treasure Island Club. These funds go to provide academic, social recreation and cultural services to close to 150 island youth ages 6 through 18.

Secure and manage funds for Food Pantry serving island residents.

- TIHDI operates a weekly Food Pantry that is open to all island residents in need, in collaboration with the SF Food Bank and Swords to Plowshares. TIHDI secured \$8,000 from Cisco Systems and \$2,221 FEMA for food for the Pantry. An average of 42 families (serving 150 people) shop per week, with as many as 53 families (serving 200 people) being served at times.

Other Accomplishments of Note (not in TIDA scope of services contract, provided for additional information about TIHDI community activities):

- With a grant from Schwab Foundation, created community-school project to increase participation in the TI School and academic performance for children & families living in supportive housing. School year ended on high note with Superintendent Ackerman visiting school and meeting with parents, providers and school personnel, who cited the school, community & parent partnerships TIHDI has created as a model for other communities.
- Organized 5th Annual Community Day which was supported by all island entities including: TIHDI member agencies: Catholic Charities Catholic Youth Organization, Swords to Plowshares, Walden House, Rubicon Programs and Boys & Girls Clubs of SF; Delancey Street and its Life Learning Academy; TI Development Authority; John Stewart Company; TI Job Corps; Golden Gate Disposal; TI Elementary School; TI Enterprises/TICD; Sympel Communications; SF Public Library; and SF Police, Fire, Public Utilities, Public Works. Received funding from SF Arts Commission (Festival

grant) and private cash and in kind donors to support annual event where close to 900 TI residents & workers attended.

- Created a Community Advisory Committee to work with Kidango which worked to support & expand child care center enrollment, created linkages with TI School to prepare children entering elementary school and established stronger connections with island service providers.
- Coordinated with Project Safe & John Stewart Company & island residents regarding island safety concerns. Coordinated with TIDA, Police & MUNI regarding bus safety concerns, increasing monitoring on the bus and at the Transbay terminal.
- Coordinated with TIDA regarding emergency planning. Created emergency contact form to get uniform information from each island program and emergency contact information.
- Coordinated with city-wide Gangs Free Initiatives and island entities to address youth violence prevention strategies, creating a stronger referral process between youth serving agencies and identifying new avenues to engage youth in positive activities.
- Worked with Community Housing Partnership (CHP), John Stewart Co and TIDA for CHP to receive 6 more housing units for homeless families.
- Conducted two community leadership training sessions (10 weeks each) to help provide skills to 20 island residents to become effective participants in community organizations.
- In collaboration with New Start Furniture and Swords to Plowshares, provided 21 families with ability to shop for furniture and have move in assistance provided.

Task Two:

Coordinate and facilitate recreational services on Treasure Island.

Specifically:

1). Contract and monitor recreation services provided by the YMCA.

- TIHDI entered into an agreement with the YMCA to provide recreation classes at the Ship Shape (directly across from gym). Through resident surveys, community meetings and meetings specific to recreation, TIHDI and the YMCA/Embarcadero developed a variety of different recreation classes. One class was primarily aimed at a cardio vascular workout and took a number of forms ("boot camp", cardio blast and hi-lo aerobics). The other was yoga. Classes were offered based on resident feedback. There were at various times 6:30am & noon classes, Mon, Tues or Wed. night classes. A "sandwich board" sign at the gate listed the classes, they were posted on 94130.net, brochures and flyers were developed and distributed and the YMCA did a demonstration of the aerobics class at the

annual community day event. Over the course of the past year over 200 unduplicated residents participated in the recreation classes. Yoga had steady attendance, with numbers fluctuating from 8 to 15 people per class. Aerobics was discontinued in mid May due to lack of attendance. Now that gym is open, TIHDI expects, after compiling resident survey responses, to work with the YMCA to add additional programming.

2). Contract and monitor recreation services provided by the Boys & Girls Club.

- The Boys & Girls of San Francisco (BGC) provided 14 different activities for 142 unduplicated island youth over the course of the year. Attached is a chart indicating the activities, hours, and ages and number of participants. The BGC provides activities in and out of the gym, giving youth a variety of options and linking them with their city-wide sports efforts. Funding from TIDA has enabled them to actively engage many of the island's youth. With the gym opening, funding is necessarily diverted to gym operations which will cause a decrease in TIDA funding for their activities in 04-05.

3). Coordinate with all island members & TIDA regarding renovation of gym, program planning for its use and contracts for recreation services provided in the gym.

- As mentioned in Task One, TIHDI conducted a number of meetings, surveys and gym tours to get island resident feedback into recreation programming in general as well as specifically for the gym. TIHDI met with TIDA and DPW on a regular basis to get updates on the status of the gym's renovation timeline. At the end of March, it was determined that the gym renovation would be complete by the end of May. TIHDI then developed a RFP to secure an operator for the gym. Because of the quick turn around in time (2 months), the size of the facility (22,000 sq ft to start) and many unknowns (lease terms, funding, insurance, final completion of renovation, etc...), TIHDI did not receive an operational proposal. However, TIHDI has been given "technical assistance" and support from its recreation partners—YMCA/Embarcadero and the Boys & Girls Club. TIHDI then decided to hire a recreation director and assistant in order to open the gym for the summer—especially for youth. After negotiating the lease terms with TIDA, TIHDI opened the gym for youth on June 23rd. The Grand Opening is scheduled for July 17th and the gym will then be open for adults in the evenings & Saturdays.

TIHDI
PROPOSED BUDGET
FY 2003-04

By Fund									
	Hud McKinney	TIDA	DCYF	SF Foundation	SCHWAB	I & G	CISCO	Special Events	Total
Income									
Contract Income									
4001 - HUD Mc Kinney	398,021								398,021
4002 - TIDA		350,000							350,000
4004 - DCYF			118,800		200,000				318,800
4008 - SF Community Arts Grant									0
Total Contract Income	398,021	350,000	118,800	0	200,000	0	0	0	1,066,821
Donation Income									
5100 - Foundation/Corp/Grant				20,000			10,000		30,000
5200 - Events/Fundraisers (Net)									0
5400 - Furniture Fund									0
5800 - Donations from Individuals									0
Total Donation Income	0	0	0	20,000	0	0	10,000	0	30,000
Other Income									
5700 - Interest Income									0
5800 - Rental Income									0
5990 - Free Rent									0
5995 - Rent F55									0
Total Other Income	0	0	0	0	0	0	0	0	0
Total Income	398,021	350,000	118,800	20,000	200,000	0	10,000	0	1,096,821
Expenses									
Salaries									
7001 - Executive Director		60,000			28,000				88,000
7002 - Office/Contracts Manager	580		10,800						11,380
7003 - School Coordinator	47,000				11,000				58,000
7004 - Comm Develop Director					43,000				43,000
7005 - Comm Program Coord (.5)				15,000					15,000
7008 - Ship Shape Assistant (.10)									0
Total Salaries	47,580	80,000	10,800	15,000	82,000	0	0	0	215,380
Benefits									0
7101 - Health Benefits	5,000	8,000		1,000					12,000
7102 - Payroll Taxes	4,758	6,000		1,500					12,258
7103 - Worker's Comp	1,992	1,999		500					4,491
Total Benefits	11,750	13,999	0	3,000	0	0	0	0	28,749
Prof Fees/Contracts									
8001 - Grant Writer									0
8002 - Community Training									0
8003 - Audit	8,000								8,000
8005 - Affordable Housing Consult									0
8008 - Job Broker Consultant									0
8010 - Other Contracts									0
8030 - Bookkeeping	4,500								4,500
Total Prof Fees/Contracts	12,500	0	0	0	0	0	0	0	12,500
Program Expenses									
8200 - Job Retention Activities	3,000								3,000
8300 - Support Services Pool	310,563	250,000	108,000						668,563
8350 - Job Training									0
8375 - Comm-Bldg Activities									0
8380 - Furniture Program									0
8390 - Food Pantry Program							10,000		10,000
8250 - Volunteer Stipends									0
8395 - After School Youth Programs					118,000				118,000
8398 - Recreation									0
Total Program Expenses	313,563	250,000	108,000	0	118,000	0	10,000	0	799,563
Operating Expenses									
8425 - Insurance - Lab/Fid/D&O	1,708			2,000					3,708
8450 - Meeting/Misc/Refreshmts									0
8550 - Supplies/Postage	800								800
8590 - Equipment Maint/Leasing	1,200								1,200
8575 - Equipment/Software									0
8825 - Printing & Marketing									0



TIHD
PROPOSED BUDGET
FY 2003-04

By Fund									
	Hud McKinney	TIDA	DCYF	SF Foundation	SCHWAB	I & G	CISCO	Special Events	Total
8650 - Staff/Board/Vol Training	7,500								7,500
8675 - Subscrip/Fees/Membership									0
8700 - Telephone	1,500								1,500
8750 - Travel (Local)	120								120
8800 - Travel (Out of Town)									0
8850 - Board Retreat									0
9050 - Bank Charges									0
9100 - Office Maint/Cam		9,600							9,600
9225 - Ship Shape Fac Expense									0
9230 - Rent (FSS)									0
9235 - CAM (FSS)									0
don't know breakdown		16,401							16,401
9290 - Free Rent									0
Total Operating Expenses	12,628	26,001	0	2,000	0	0	0	0	40,629
Total All Expenses	398,021	350,000	118,800	20,000	200,000	0	10,000	0	1,096,821
Net income	0	0	0	0	0	0	0	0	0



**City and County of San Francisco
TREASURE ISLAND DEVELOPMENT AUTHORITY
Treasure Island Building One
410 Avenue of the Palms
San Francisco, California 94130**

**Agreement between the
Treasure Island Development Authority
and the
Treasure Island Homeless Development Initiative**

This Agreement is made this first day of September 2004, in the City and County of San Francisco, State of California, by and between the Treasure Island Homeless Development Initiative, Treasure Island Building One, San Francisco, CA 94130, a California not-for-profit corporation, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a municipal corporation, hereinafter referred to as "Authority," acting by and through its Executive Director or the Director's designated agent, hereinafter referred "Executive Director."

Recitals

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the Authority and/or City and County of San Francisco; and,

WHEREAS, Under the Treasure island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (l) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the Authority and/or City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Board of Supervisors approved the Homeless Component of the Draft Reuse Plan for Treasure Island on July 22, 1996 by Resolution 672; and,

WHEREAS, the Authority wishes to support the Homeless Assistance Component of the Treasure Island Reuse Plan; and

WHEREAS, the Contractor represents and warrants that it is qualified to coordinate the actions of the member organizations of the Treasure Island Homeless Development Initiative; and

WHEREAS, the Contractor represents and warrants that it is qualified to coordinate recreational services programs for Treasure Island residents; and

WHEREAS, the Authority has negotiated with the Contractor to reach agreement on the scope of work, and budget for this Agreement; and

WHEREAS, approval for said Agreement was obtained from the San Francisco Board of Supervisors Resolution 672-96 dated July 22, 1996

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter ("Charter") of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller of the City and County of San Francisco ("Controller"), and the amount of the Authority's and/or City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

The Authority and the City have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority and City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from September 1, 2004 through June 30, 2005.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Executive Director, in her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed three hundred sixty five thousand dollars (\$365,000). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. The Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall the Authority or City be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority and/or City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority and/or City are not authorized to request, and the Authority and City are not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority and City are not authorized to offer or promise, nor are the Authority and/or City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include the Contract Progress Payment Authorization number. All amounts paid by Authority and/or City to Contractor shall be subject to audit by the Authority and City.

Payment shall be made by Authority and City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the Authority and City for three times the amount of damages which the Authority sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the Authority and City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the Authority and City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the Authority and City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the Authority and/or City; (c) conspires to defraud the Authority and City by getting a false claim allowed or paid by the Authority and/or City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Authority and/or City; or (e) is a beneficiary of an inadvertent submission of a false claim to the Authority and/or City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the Authority and City within a reasonable time after discovery of the false claim.

9. Left blank by agreement of the parties

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority or City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority and/or City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority and/or City to enable the Authority and City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority and/or City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by the Authority and/or City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's or City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's and/or City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

The Authority and City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority and/or City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. **Independent Contractor.** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority and/or City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with the Authority or City, nor be entitled to participate in any plans, arrangements, or distributions by Authority and/or City pertaining to or in connection with any retirement, health or other benefits that Authority or City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between the Authority and/or City and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority and/or City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. The Authority and the City do not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. **Payment of Taxes and Other Expenses.** Should Authority or City, in their discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority and/or City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority and/or City, upon notification of such fact by Authority and/or City, Contractor shall promptly remit such amount due or arrange with Authority and/or City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority or City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority and City's financial liability so that Authority and City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Business Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the U.S. Navy, the Authority, and the City and County of San Francisco, and their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty days' advance written notice to Authority and City of cancellation mailed to the following address:

Treasure Island Development Authority
Treasure Island Building One
410 Avenue of the Palms
San Francisco, CA 94130

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority and City receive satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority and/or City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor must furnish to Authority and City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to Authority and City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City request.

h. Approval of the insurance by Authority and/or City shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and the City and their officers, agents and employees from, and, if requested, shall defend them against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, resulting directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, the use of Contractor's facilities or equipment provided by Authority, City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority or City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of

this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee.

In addition to Contractor's obligation to indemnify Authority and City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority and City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and City and continues at all times thereafter.

Contractor shall indemnify and hold Authority and City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority or City may have under applicable law.

18. Liability of Authority and/or City

AUTHORITY AND CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY OR CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Left blank by agreement of the parties.

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, or 53.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from Authority or City to Contractor.

(3) Contractor (A) is generally not paying its debts as they become due, (B) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (C) makes an assignment for the benefit of its creditors, (D) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (E) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (A) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (B) constituting an order for relief or approving a petition for relief or reorganization or

arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (C) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority and/or City shall have the right to exercise their legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority and City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority and/or City on demand all costs and expenses incurred by Authority and/or City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority and City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and Contractor, and/or City and Contractor all damages, losses, costs or expenses incurred by Authority and/or City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority and/or City shall have the option, in their sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority and/or City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and/or City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority and/or City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority and/or City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority or City's direction, assigning to Authority and/or City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority and City shall have the right, in their sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority and/or City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority or City designates to be completed prior to the date of termination specified by Authority or City.

(7) Taking such action as may be necessary, or as the Authority and/or City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority and/or City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority or City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority or City directed Contractor to perform prior to the specified termination date, for which services or work Authority or City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority or City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or City or otherwise disposed of as directed by the Authority or City.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority or City, and any other appropriate credits to Authority or City against the cost of the services or other work.

d. In no event shall Authority or City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority or City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority or City may deduct: (1) all payments previously made by Authority or City for work or other services covered by Contractor's final invoice; (2) any claim which Authority or City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority or City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's or City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's and City's payment obligations under this Section shall survive termination of this Agreement.

22. Rights and Duties Upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, and 55.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority or City, and deliver in the manner, at the times, and to the extent, if any, directed by Authority or City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority or City. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provisions of §15.103 and Appendix C 8.105 of City's Charter and §87100 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions.

24. Proprietary or Confidential Information of Authority or City

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority or City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority or City. Contractor agrees that all information disclosed by Authority or City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority & City: Tony Hall, Executive Director
Treasure Island Development Authority
Treasure Island Building One
410 Avenue of the Palms
San Francisco, CA 94130
E-mail: Tony.Hall@sfgov.org
Fax: 415/274-0299

To Contractor: Sherry Williams, Executive Director
Treasure Island Homeless Development Initiative
Treasure Island Building One
410 Avenue of the Palms
San Francisco, CA 94130
E-mail: Sherry@tihdi.org
Fax: 415/834-9134

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement

are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority or City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority or City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority or City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority and City by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority or City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority or City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Minority/Women/Local Business Utilization; Liquidated Damages

a. Compliance

Contractor understands and agrees to comply fully with all provisions of Chapter 12D.A ("Minority/Women/Local Business Utilization Ordinance--IV") of the San Francisco Administrative Code and agrees to include this paragraph in all subcontracts made in fulfillment of the Contractor's obligations under this Agreement. Said provisions are incorporated herein by reference and made a part of this Agreement as though fully set forth. Contractor's willful failure to comply with Chapter 12D.A is a material breach of contract.

b. Enforcement

If Contractor willfully fails to comply with any of the provisions of Chapter 12D.A, the rules and regulations implementing Chapter 12D.A, or the provisions of this Agreement pertaining to MBE or WBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission (HRC) may also impose other sanctions against Contractor authorized in Chapter 12D.A, including declaring the Contractor to be irresponsible and ineligible to contract with the Authority and/or City for a period of up to five years or revocation of the Contractor's MBE or WBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to §12D.A.16C.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority or City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with Authority or City.

Contractor agrees to maintain records necessary for monitoring its compliance with Chapter 12D.A for a period of three years following termination of this contract.

c. Subcontracting Goals

The MBE/WBE subcontracting participation goal for this contract is [fill in number] %. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information required in HRC Form 6. Failure to provide HRC Form 6 with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until HRC Form 6 is provided by Contractor.

Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in Chapter 12D.A, for any purpose inconsistent with the provisions of Chapter 12D.A, its implementing rules and regulations, or this Section.

d. Subcontract Language Requirements

Contractor shall include in all subcontracts with MBEs or WBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any MBE or WBE subcontractor if Contractor does not fulfill its commitment to use the MBE or WBE subcontractor. Such provisions shall also state that it is enforceable in a court of competent jurisdiction.

Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with Chapter 12D.A for a period of three years following termination of this contract.

e. **Payment of Subcontractors**

Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Authority in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Authority waives the three-day payment requirement.

34. Nondiscrimination; Penalties

a. **Contractor Shall Not Discriminate**

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, Authority or City employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts**

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the S.F. Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits**

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the Authority or City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the S.F. Administrative Code.

d. **Condition to Contract**

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. **Incorporation of Administrative Code Provisions by Reference**

The provisions of Chapters 12B and 12C of the S.F. Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §12B.2(h) of the S.F. Administrative Code, a penalty of \$50 for each person for each calendar day during which such

person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to S.F. Administrative Code §12.F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to S.F. Administrative Code §12L.5(b), the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on Authority or City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 21A of the S.F. Administrative Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 21A will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with S.F. Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority or City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least \$250,000 in Authority or City funds or Authority-administered or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith

efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority or City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Notification of Limitations on Contributions

This paragraph applies if this contract is in excess of \$50,000 over a 12-month period or less and is for: (1) personal services; or (2) the selling or furnishing of any material, supplies or equipment; or (3) any combination of personal services and the selling or furnishing of any material, supplies or equipment. San Francisco Campaign and Governmental Conduct Code (the "Conduct Code") Section 3.700 *et. seq.*, and San Francisco Ethics Commission Regulations 3.710(a)-1 – 3.730-1, prohibit the public officials who approved this contract from receiving: (1) gifts, honoraria, emoluments or pecuniary benefits of a value in excess of \$50; (2) any employment for compensation; or (3) any campaign contributions for any elective office for a period of up to six years from individuals and entities who are "public benefit recipients" of the contract. Public benefit recipients of the contract are: (1) the individual, corporation, firm, partnership, association, or other person or entity that is a party to the contract; (2) an individual or entity that has a direct 10% equity, or direct 10% participation, or direct 10% revenue interest in that party at the time the public benefit is awarded; or (3) an individual who is a trustee, director, partner or officer of the contracting party at the time the public benefit is awarded.

Contractor understands that any public official who approved this contract may not accept campaign contributions, gifts, or future employment from Contractor except as provided under the Conduct Code. Contractor agrees to notify any other individuals or entities that may be deemed "public benefit recipients" under the Conduct Code because of this contract. Upon request, Contractor agrees to furnish, before this contract is entered into, such information as any public official approving this contract may require in order to ensure such official's compliance with the Conduct Code. Upon request, the Authority or City agrees to provide, before this contract is entered into, Contractor with a list of public officials who, under the Conduct Code, approved this contract. Failure of any public official who approved this contract to abide by the Conduct Code shall not constitute a breach by the Authority, the City or the Contractor of this contract. Notwithstanding anything to the contrary in this contract, neither party shall have the right to terminate the contract due to any failure by the other party to provide the information described in this paragraph.

43. Requiring Minimum Compensation for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at <http://www.sfgov.org/oca/lwlh.htm>. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Contractor agrees to all of the following:

a. For each hour worked by a Covered Employee during a Pay Period on work funded under the Authority contract during the term of this Agreement, Contractor shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the hourly gross compensation portion of the MCO, the Contractor shall pay \$9.00 an hour through December 31, 2001. On January 1, 2002, Contractor shall increase the hourly gross compensation to \$10.00 an hour; provided, however, that if Contractor is a Nonprofit Corporation or a public entity, it shall be required to pay the increased amount only if the City makes the finding required by Section 12P.3(a)(ii) of the San Francisco Administrative Code. If Contractor is required to increase the gross hourly compensation to \$10.00 an hour, it shall provide the 2.5% annual increase required by the MCO for each of the next three years.

b. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the Authority or City with regard to Contractor's compliance or anticipated compliance

with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

c. Contractor understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Contractor of the terms of this Agreement. The Authority, acting through the Executive Director, shall determine whether such a breach has occurred.

d. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the Authority, acting through its Executive Director, or the City, acting through its Office of Contract Administration shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

(1) The right to charge Contractor an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

(2) The right to set off all or any portion of the amount described in Subsection (d)(1) of this Section against amounts due to Contractor under this Agreement;

(3) The right to terminate this Agreement in whole or in part;

(4) In the event of a breach by Contractor of the covenant referred to in Subsection (b) of this Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and

(5) The right to bar Contractor from entering into future contracts with the Authority and/or City for three years.

Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the Authority or City. Any amounts realized by the Authority or City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

e. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

f. Contractor shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Contractor from the Authority or City, which communications are marked to indicate that they are to be distributed to Covered Employees.

g. Contractor shall provide reports to the Authority or City in accordance with any reporting standards promulgated by the City under the MCO, including reports on subcontractors.

h. The Contractor shall provide the Authority and/or City with access to pertinent records after receiving a written request from the Authority or City to do so and being provided at least five (5) business days to respond.

i. The Authority and/or City may conduct random audits of Contractor. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (iv) limited to one audit of Contractor every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the Authority or City from investigating any report of an alleged violation of the MCO.

j. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. A subcontract means an agreement between the Contractor and a third party which requires the third party to perform all or a portion of the services covered by this Agreement. Contractor shall notify the Authority when it enters into such a subcontract and shall certify to the Authority that it has notified the subcontractor of the obligations under the MCO and has imposed the requirements of the MCO on the subcontractor through the provisions of the subcontract. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the Authority or City may pursue any of the remedies set forth in this Section against Contractor.

k. Each Covered Employee is a third-party beneficiary with respect to the requirements of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Contractor of subsections (a) and (b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Contractor understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Contractor of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Contractor arising from this Agreement, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Contractor also understands that the MCO provides that if Contractor prevails in any such action, Contractor may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

l. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and the Authority to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Unless exempt, Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this agreement as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/oca/lwlh.htm>. Capitalized terms used in this Section and not defined in this agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority or City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's or City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Authority and/or City shall have the right to pursue the remedies set forth in 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Authority and/or City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify the Authority when it enters into such a Subcontract and shall certify to the Authority that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Authority and/or City with regard to Contractor's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall keep itself informed of the current requirements of the HCAO.

h. Contractor shall provide reports to the Authority and/or City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

i. Contractor shall provide Authority or City with access to records pertaining to compliance with HCAO after receiving a written request from Authority or City to do so and being provided at least five business days to respond.

j. Authority or City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with Authority or City when it conducts such audits.

k. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with Authority and/or City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the Authority and/or City to be equal to or greater than \$75,000 in the fiscal year.

45. Workforce Hiring Goals

In performing its rights and responsibilities under this Agreement, Contractor shall comply with the following workforce hiring goals for qualified homeless or otherwise economically disadvantaged persons and San Francisco residents.

a. Contractor's Workforce Hiring Goals. Contractor shall use good faith efforts to meet the work force hiring goals described herein (the "Workforce Goals"). For purposes of this Section "45.a.", Contractor's Good Faith Efforts shall include, but not be limited to, the following:

1. Submitting detailed written plans describing how Contractor intends to meet the Workforce Goals (a "Hiring Plan");

2. Listing jobs available on the Premises with the Treasure Island Homeless Development Initiative's Job Broker ("TIHDI Job Broker") at least two weeks prior to advertising for applicants elsewhere;

3. Considering for appropriate job openings all candidates who are qualified, screened and referred to it by the TIHDI Job Broker;

4. Establishing with TIHDI mutually acceptable means of communicating about job openings and provide information about jobs and about outcomes of referrals within a reasonable time upon request by the TIHDI Job Broker;

5. Consulting with the TIHDI Job Broker on an ongoing basis about how to meet Contractor's Workforce Goals; and;

6. Meeting and conferring with the TIHDI Job Broker to discuss and attempt to resolve any problems with Contractor meeting its Workforce Goals.

b. Burden of Proof. If the Workforce Goals are not met, Contractor shall have the burden of establishing in any Enforcement Procedure described in Section h. below that it made Good Faith Efforts and that the candidates who were selected were better qualified for work than the homeless or economically disadvantaged persons who applied or were referred by the TIHDI Job Broker.

c. Construction Workforce. Without obligation (other than as expressly set forth herein), Contractor shall also be required to give consideration for hiring on all construction projects on the Premises to qualified homeless or otherwise economically disadvantaged persons, and to qualified residents of San Francisco whose annual income, at the time of hire, is at or below fifty percent (50%) of median income for the City as determined by HUD.

d. Subcontracting. Contractor will consider subcontracting certain tasks to be performed by Contractor under this Agreement to TIHDI member organizations, particularly for grounds keeping, janitorial, recycling and deconstruction activities. Subcontracts with TIHDI organizations will be included for purposes of determining Contractor's Good Faith Efforts to meet the Work Force Goals.

e. Hiring Plan.

1. Contractor shall submit its Hiring Plan to the Authority within sixty (60) days of the Commencement Date. Contractor's Hiring Plan shall include a detailed description of how Contractor intends to meet its Workforce Goals, which description should include community outreach and recruiting efforts, hiring procedures (e.g., phased hiring), a projected schedule for meeting the Workforce Goals, and alternative courses of action if it appears that the Workforce Goals will not be met.

2. During the first 30 days after the Hiring Plan is submitted, the Authority and Contractor shall negotiate in good faith solutions to any deficiencies in the Hiring Plan as reasonably determined by the Authority. At the expiration of such 30-day period, the Authority shall advise Contractor, through a written "Notice of Noncompliance," of any alleged deficiency in the Hiring Plan remaining at the close of such negotiations. The Notice of Noncompliance shall state the specific basis for the alleged deficiency(ies) and the Authority's suggested cure. Contractor shall advise the Authority within 10 days of its receipt of the Notice of Noncompliance whether Contractor accepts the suggested cure. If the Contractor rejects the suggested cure, either party may proceed immediately to the Enforcement Procedure pursuant to Section "h". below by filing a Request for Enforcement ("Request") on the Hiring Plan. The Request shall specify the issues presented and the relief requested.

f. Reports. Contractor shall prepare reports regarding the composition of Contractor's work force reasonably satisfactory to the Authority.

g. Matters Subject to Enforcement Procedure. In addition to the initial preparation of the Hiring Plan, all matters related to implementing the Hiring Plan and the Workforce Goals are subject to the Enforcement Procedure described in Section "i". below.

h. Implementation of Enforcement Procedure. The Enforcement Procedure, as provided for in Section 45.i. below, shall be the exclusive procedure for resolving any dispute concerning the interpretation or implementation of the Hiring Plan or any alleged deficiency in Contractor's Good Faith Efforts to achieve the Workforce Goals. The Enforcement Procedure shall be implemented by the Human Rights Commission of the City of County of San Francisco (the "Commission"), which shall have the powers described below unless otherwise provided by law.

1. All subcontracts related to the Agreement ("Subcontracts") shall incorporate the provisions of this Section 45 and the Authority shall have the right to enforce said obligations, requirements and agreements against the Contractor or its subcontractors. Contractor shall require, by contract, that each subcontractor participates in Enforcement Procedure proceedings in which it may be identified in a Request, and that each subcontractor shall be bound by the outcome of such Enforcement Procedure according to the decision of the Commission.

i. Enforcement Procedure.

1. If the Authority reasonably determines that Contractor has failed to use Good Faith Efforts to meet the Workforce Goals, or for any other matter subject to this Enforcement Procedure the Authority shall send a written Notice of Noncompliance to Contractor describing the basis for its determination and suggesting a means to cure any deficiencies. If Contractor does not, in the reasonable discretion of the Authority, cure the deficiency within ten (10) days, the matter shall be submitted to the following Enforcement Procedure.

(a) Prior to the filing and service of a Request, the parties to any dispute shall meet and confer in an attempt to resolve the dispute.

(b) The Authority, Contractor or any subcontractor may commence resolution of any dispute covered by the Enforcement Procedure by filing a Request with the Commission. Where the Authority is not the complaining party, the Request shall be served on the Authority. Where the Authority is the complaining party, the Request shall be served on the Contractor at the Notice Address listed in the Agreement, and the non-compliant subcontractor, if any, if such service can be achieved with reasonable effort. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify the entities involved in the dispute and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

(c) Service on the Contractor of the Request or any notice provided for by this Section 1 shall constitute service of the Request or notice on all subcontractors who are identified as being in alleged noncompliance in the Request. The Contractor shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such subcontractors.

(d) The TIHDI Job Broker shall have the right to present testimony or documentary evidence at Enforcement Procedure proceedings.

(e) After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Enforcement Procedure, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction ("Temporary Relief"). The Commission shall determine whether the facts reasonably supported the issuance of Temporary Relief.

(f) If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request, unless otherwise agreed by the parties or ordered by the Commission upon a showing of good cause; provided, that if the complaining party seeks a temporary restraining order, the hearing on the motion for a temporary restraining order shall be heard not later than two (2) business days after the filing of the Request, and provided further, if a party seeks a preliminary injunction, such motion shall be heard on 15 days' notice. The Commission shall set the date, time and place for the Enforcement Procedure hearing(s) within the proscribed time periods by giving notice by hand delivery to the Authority and the Contractor; except, where a temporary restraining order is sought, the Commission may give notice of the hearing date, time and place to the Authority, Contractor and any affected subcontractor by telephone.

(g) In the Enforcement Procedure proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

2. Commission's Decision. The Commission shall render a decision within 20 days of the date that the hearing on a Request is completed; provided that where a temporary restraining order is sought, the Commission shall render a decision not later than 24 hours after the hearing on the motion. The Commission shall send the decision by certified or registered mail to the Authority, the Contractor and the subcontractor, if any.

(a). The Commission may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In a proceeding seeking a default award against a party other than the Contractor, the Contractor shall provide proof of service on the party as required by this Article. If the Contractor fails to provide proof of service, the Contractor shall pay \$2,500 as liquidated damages to the Authority, provided that no such damages shall be assessed if the Contractor demonstrates that it made good faith efforts to serve the party. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

(b). Except as otherwise provided in this Section 1, the Commission shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agreement, or to negotiate new agreements or provisions between the parties.

(c). The inquiry of the Commission shall be restricted to the particular controversy that gave rise to the request for the Enforcement Procedure. A decision of the Commission issued hereunder shall be final and binding upon the Authority, Contractor, and subcontractors, if any, sent by mail to the Authority, the Contractor and the subcontractor, if any. The losing party shall pay the Commission's fees and related costs of the Enforcement Procedure. If a subcontractor is the losing party and fails to pay said fees within 30 days of the decision, the Contractor shall pay the fees. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Commission finds that the Request was frivolous or that the Enforcement Procedure action was otherwise instituted or litigated in bad faith. Judgment upon the Commission's decision may be entered in any court of competent jurisdiction.

3. Remedies and Sanctions. Except as may otherwise be expressly provided herein, the Commission may impose only the remedies and sanctions set forth below and only against the non-compliant party(ies):

(a). Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the Contractor's failure to make Good Faith Efforts, and/or to require Contractor and/or its subcontractors to make such Good Faith Efforts, including, but not limited to, orders enjoining the Contractor from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for employment at the Premises pending resolution of the alleged deficiency(ies) in the Hiring Plan or Contractor's implementation of the Workforce Goals.

(b). Require the Contractor or Subcontractors to refrain from entering into new contracts related to work related to the Agreement, or from granting extensions or other modifications to existing contracts related to the Agreement, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract, with any non-compliant subcontractor until such subcontractor provides assurances satisfactory to the Authority and the Contractor of future Good Faith Efforts to comply with the Workforce Goals.

(c). Direct the Contractor or subcontractor to cancel, terminate, suspend or cause to be canceled, terminated or suspended, any contract or lease or portion(s) thereof for failure of the subcontractor to make Good Faith Efforts to comply with the Workforce Goals, provided, however that Subcontracts may be continued upon the condition that a program for future compliance is approved by the Authority.

(d). If the Contractor or subcontractor is found to be in willful breach of its obligations to make Good Faith Efforts to achieve the Workforce Goals, impose financial penalties not to exceed \$50,000 or 10 percent of the total monetary consideration contemplated by the Agreement, whichever is less, for each such breach on the party responsible for the willful breach; provided, however, no penalty shall be imposed pursuant to this paragraph for the first willful breach unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. The Contractor or subcontractor may impose penalties for subsequent willful breaches whether

or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

(e). Direct that the Contractor or subcontractor produce and provide to the Authority any records, data or reports that are necessary to determine if a violation has occurred and/or to monitor the performance of the Contractor or Subcontractor.

(f). Issue such other relief deemed necessary to ensure that the Hiring Plan is written and implemented, and that Contractor makes Good Faith Efforts to meet its Workforce Goals, including requiring the inclusion or exclusion of specific terms or provisions in the Hiring Plan based on a determination that the term(s) added or removed further the requirements and objectives of this Section 1.

4. Delays due to enforcement. If Contractor does not timely perform its obligations under the Agreement with the Authority because of a Commission's order against a party other than the Contractor, such order shall be deemed an event of Force Majeure, and the time for any performance by the Contractor shall be extended as provided therein; provided, however, that Contractor shall make good faith efforts to minimize any delays.

5. Exculpatory clause. The Contractor and its subcontractors hereby forever waive and release any and all claims against the Authority for Losses arising under or related to this Section 1.

6. California law applies. California law, including the California Arbitration Act, Code of Civil Procedure §§1280 through 1294.2, shall govern all the Enforcement Procedure proceedings.

7. Designation of agent for service. Not later than five (5) days after the execution of this Agreement, the Contractor shall designate a person or business, residing or located in the City and County of San Francisco, as its agent for service of a Request and all notices provided for herein. If the Contractor has an office located in San Francisco, it may designate itself as agent for service.

J. Relationship to Other Employment Agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce-training agreements or interfere with consent decrees, collective bargaining agreements or existing employment contracts. In the case of collective bargaining agreements, Contractor will take primary responsibility for integrating the requirements of Contractor's Workforce Goals with any such collective bargaining agreements. As necessary, Contractor will attempt to negotiate equivalent first source hiring obligations with relevant unions.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years.

47. Preservative-treated Wood Containing Arsenic

As of July 1, 2003, Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 21G is obtained from the Department of Environment under Section 21G.5 of the Administrative Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the

Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Authority to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20%.

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the City's Office of Contract Administration who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

AUTHORITY

Recommended by:

Tony Hall, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

Approved:

Naomi Little
Director, Office of Contract Administration

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Sherry Williams, Executive Director
Treasure Island Homeless Development Initiative
Treasure Island Building One
410 Avenue of the Palms
San Francisco, CA 94130
FEIN: 94-3280624
Vendor No: 51465

APPENDICES

- A: Services to be Provided by Contractor
B: Calculation of Charges

Appendix A
Services to be Provided by Contractor

1. Description of Services

SERVICES TO BE PROVIDED BY CONTRACTOR

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

TASK ONE

- Coordinate and facilitate the participation of community-based homeless service organizations and coordinate activities with all public and private agencies operating on former naval base Treasure Island in the development of long term plans to implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property on Treasure Island and Yerba Buena Island.

Specifically:

Provide consultation on the affordable housing component of the proposed development plan by TICD. This includes review of financing proposals by developer, phasing of housing, and the design and placement of housing.

Provide input in community serving and development components, Job Broker and First Source compliance and economic development opportunities as indicated in the TIHDI Agreement.

- Coordinate and facilitate the participation of community-based homeless service organizations activities with all public and private agencies operating on former naval base Treasure Island in the current implementation of the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property.

Specifically:

Operate the Job Broker System for island employers to fulfill hiring objectives outlined in their leases and/or contracts with the TIDA.

Coordinate community involvement in planning and implementation of recreation activities on the island for island residents.

Facilitate dissemination of information to TIHDI members regarding environmental issues impacting Treasure Island.

Facilitate dissemination of information to TIHDI members regarding hearings involving Treasure Island.

Secure and manage funds for Food Pantry serving island residents.

TASK TWO:

Coordinate and facilitate recreational services on Treasure Island.

Specifically:

Operate or identify an operator of the TI Gym for use by TI residents and schools for at least 4 days per week.

Provide recreation programming for youth and children on TI.

Provide recreation programming for adults on TI.

2. Reports

Contractor shall submit written reports as requested by the Authority. Format for the content of such reports shall be determined by the Authority. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

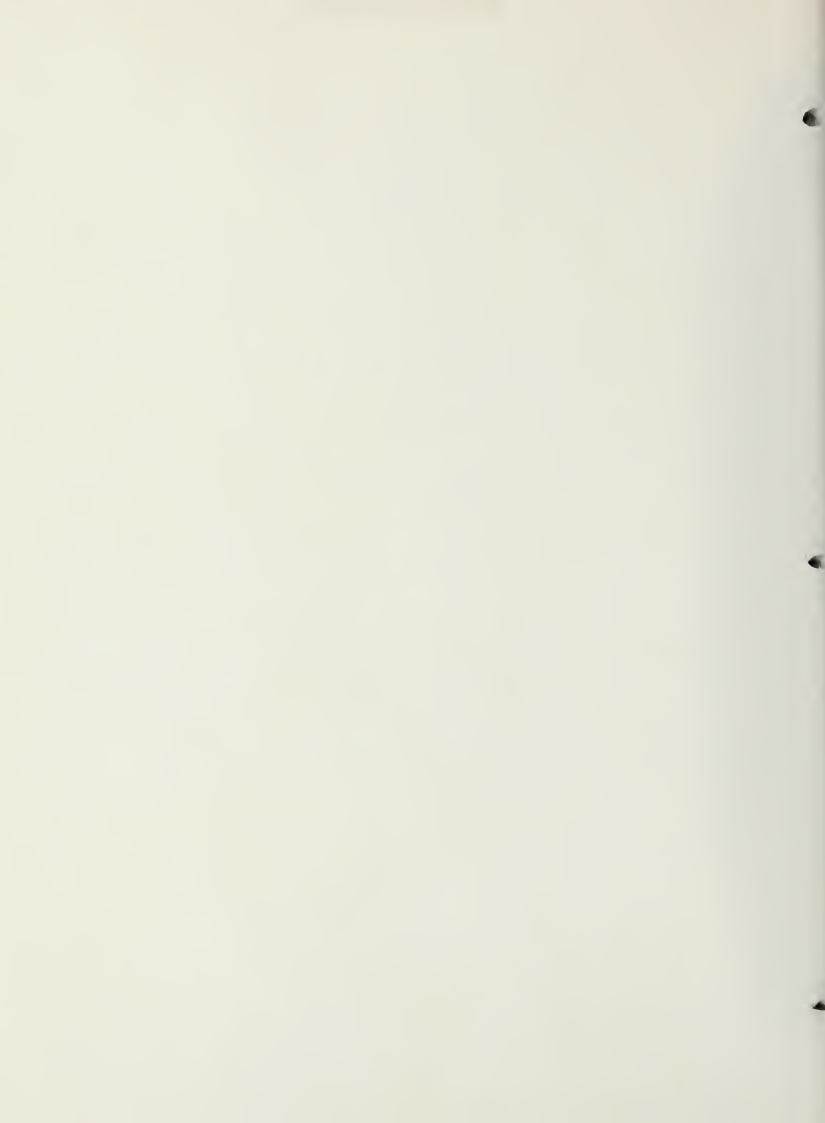
3. Department Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the Authority will be the Deputy Executive Director of the Authority, or the Treasure Island Project Office staffperson specified by the Executive Director.

Appendix B**
Calculation of Charges

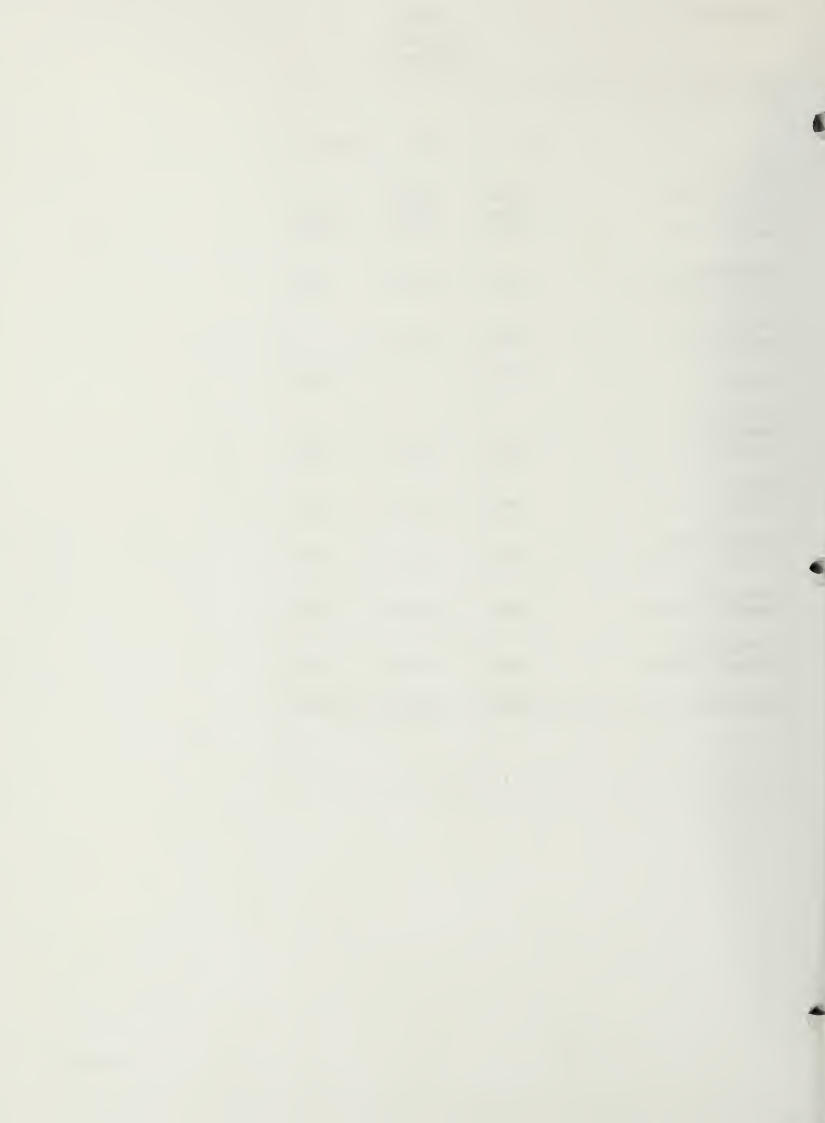
EXPENSES	FY 6/05 CONTRACT
TIHDI	
Salaries & Fringes	73,999.00
Operating Expenses	16,401.00
CAM Maintenance (In Kind)	9,600.00
Total TIHDI	100,000.00
 RECREATION ADMINISTRATION	
Gym & Ship Shape Personnel	104,348.00
Gym Office Expenses	2,500.00
Gym & Ship Shape Facility	45,652.00
Gym Equipment	10,000.00
Total Recreation Administration	162,500.00
 RECREATION PROGRAMS	
Total Recreation Programs	102,500.00
 Grand Total	 365,000.00
 CAM Maintenance (In Kind)	 (9,600.00)
 Total	 355,400.00

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Executive Director, in her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed three hundred sixty five thousand dollars (\$365,000).



**TIHDI
BUDGET
FY 2004-05**

TIHDI 2004-2005			
	Total	TIHDI	Recreation
Income			
Contract Income			
4001 - HUD Mc Kinney	398,020	398,020	
4002 - TIDA	365,000	100,000	265,000
Total Contract Income	763,020	498,020	265,000
Donation Income			
Total Donation Income	336,010	331,010	5,000
Other Income			
Total Other Income	24,200	24,200	
Total Income	1,123,230		270,000
Expenses			
Salaries (5.5FTE)			
Total Salaries	255,850	162,060	84,040
Benefits			
Total Benefits	60,920	44,112	16,808
Prof Fees/Contracts			
Total Prof Fees/Contracts	66,313	61,313	5,000
Program Expenses			
Total Program Expenses	608,668	502,668	106,000
Operating Expenses			
Total Operating Expenses	131,479	73,327	58,152
Total All Expenses	1,113,480	843,480	270,000



Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Execute a Contract with Rubicon Enterprises,
Inc. for Landscaping and Grounds Maintenance
Services for An Amount Not to Exceed \$800,000
(Action Item).

Agenda Item No. 11
Meeting of August 11, 2004

Contact/Phone: Tony Hall, Executive Director
Tina Pasco-Sanchez, Project Administrator
274-0660

BACKGROUND

Rubicon Enterprises, Inc. (Rubicon), a member organization of the Treasure Island Homeless Development Initiative (TIHDI), is a non-profit agency organized to provide services to train homeless and other economically disadvantaged persons for jobs. One of its programs is contractual landscaping and grounds maintenance services. These are identified in the draft Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans. The Board of Supervisors has authorized the Authority to engage in sole source negotiations with TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan. Attached to this staff summary is a summary of Rubicon's history of employment development at Treasure Island.

Landscaping and grounds maintenance services are required to fulfill the requirements of the agreement for caretaker services between the Authority and the Navy, as well as to promote public health and safety at former Naval Station Treasure Island. The Treasure Island Project staff have divided Treasure and Yerba Buena Islands into landscaping parcels and have established three levels of landscaping services. Maps of the parcels are Exhibits 1 and 2 to the attached contract, and a detailed outline of each of the levels of service is provided in Appendix A, "Services to be provided by contractor." Rubicon will follow the requirements of the City and County of San Francisco's Integrated Pest Management Program in carrying out its activities. The cost of regularly scheduled grounds maintenance services for the 10-month contract period is \$598,630. Additionally, \$201,370 of the total \$800,000 contract amount is provided to fund non-scheduled landscape and grounds maintenance services and playground clean-up and rehabilitation as requested by the written authorization of designated staff.

RECOMMENDATION

Staff recommends approval of the contract for landscaping and grounds maintenance services with Rubicon from September 1, 2004 through June 30, 2005.



EXHIBITS

A Contract with Rubicon Enterprises, Inc.



Rubicon Landscape Service's Employment Development at Treasure Island 1998- 2004

Overview

Rubicon Enterprises began providing landscape maintenance services at Treasure Island and Yerba Buena Island in 1992 for the U.S. Navy. In 1997, the City of San Francisco contracted with Rubicon to perform similar services, and soon after additional contracts followed with the John Stewart Company, the Treasure Island Homeless Development Initiative and Job Corps. Rubicon's objectives at TI are to provide high quality, responsive service to our customers while creating jobs and training opportunities for disadvantaged individuals. Rubicon's workforce is comprised mostly of disadvantaged individuals whose histories include homelessness, substance abuse issues, incarceration, and mental disabilities.

The Treasure Island Development Authority contract enables Rubicon to provide work experience to these individuals, which in many cases, has resulted in very significant change in their lives. Most employees are able to achieve increased personal and family stability, increased self worth, and professional advancement. Below is an accounting of the numbers of people employed since 1998.

How many total Rubicon workers have been involved in the landscaping program?

Since 1998, fifty-five employees have been hired through the TIHDI referral program.

How many Rubicon landscapers have been promoted? How many have moved from Rubicon to full-time employment elsewhere?

Over the past six years, three TIHDI referrals have been promoted from the position of Maintenance Worker to the position of Lead Worker; one has been promoted to a Crew Leader position, and one to the position of Supervisor.

Five TIHDI referred workers have transitioned to other work situations. One went to work for the SF Conservation Corps, one works for the SF Parks and Recreation Department, one is working for a company that does high-rise building maintenance, and two work for the John Stewart Company doing building maintenance.

What is the current average hourly wage of landscape workers on the Island?

All Treasure Island landscape employees make no less than the minimum compensation required under SF's MCO. The base hourly pay rate for the current mix of San Francisco employees ranges from \$9.00 per hour to \$14.58 per hour, with the average rate of pay at \$10.13 per hour.

How many Rubicon landscapers are currently employed on Treasure Island -YBI?

Rubicon currently has twenty-two people working in landscaping on the Island as follows:

- 1 Operations Manager
- 2 Supervisors (one is a San Franciscan TIHDI referral)
- 3 Crew Leaders (one is a San Franciscan TIHDI referral)
- 11 full-time workers (all San Franciscan TIHDI referrals)
- 3 part-time workers (20 hours or less per week)
- 2 non San Franciscan FTEs

1 [Rubicon Contract]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH
3 RUBICON ENTERPRISES, INC. TO PROVIDE LANDSCAPE AND GROUNDS
4 MAINTENANCE SERVICES FOR THE PERIOD SEPTEMBER 1, 2004 THROUGH JUNE 30,
5 2005 FOR AN AMOUNT NOT TO EXCEED \$800,000.

6 **WHEREAS**, Naval Station Treasure Island is a military base located on Treasure
7 Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United
8 States of America ("the Federal Government"); and,

9 **WHEREAS**, Treasure Island was selected for closure and disposition by the Base
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 **WHEREAS**, In 1995, the General Services Administration and the Bureau of Land
13 Management determined that Yerba Buena Island was surplus to the Federal Government's
14 needs and could be transferred to the administrative jurisdiction of the Department of Defense
15 under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure
16 Island; and,

17 **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
18 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
19 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
20 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
21 conversion of the Base for the public interest, convenience, welfare and common benefit of
22 the inhabitants of the City and County of San Francisco; and,

23 **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended
24 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
25 1333 of the Statutes of 1968 (the "Act"), the California Legislature (l) designated the Authority



1 as a redevelopment agency under California redevelopment law with authority over the Base
2 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
3 Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer
4 the public trust for commerce, navigation and fisheries as to such property; and

5 **WHEREAS**, The Board of Supervisors approved the designation of the Authority as a
6 redevelopment agency for Treasure Island in 1997; and,

7 **WHEREAS**, the City and County of San Francisco negotiated a proposed Base
8 Closure Homeless Assistance Agreement and Option to Lease Real Property with the
9 Treasure Island Homeless Development Initiative, a California nonprofit corporation organized
10 to utilize the resources of former naval base Treasure Island available to help fill gaps in the
11 continuum of care for homeless persons and families, pursuant to the Base Closure
12 Community Redevelopment and Homeless Assistance Act of 1994; and,

13 **WHEREAS**, the Authority wishes to support the Treasure Island Homeless
14 Development Initiative pursuant to the Base Closure Community Redevelopment and
15 Homeless Assistance Act of 1994; and

16 **WHEREAS**, the Contractor represents and warrants that it is qualified to perform the
17 janitorial and other building maintenance services required by the Authority as set forth under
18 this Contract; and

19 **WHEREAS**, the Authority has negotiated with the Contractor to reach agreement on
20 the scope of work, and budget for the services shown in Appendix A; now, therefore be it

21 **RESOLVED**, That the Authority hereby authorizes the Executive Director of the Project
22 to execute a contract with Rubicon Enterprises, Inc., a California public benefit corporation, for
23 an amount not to exceed \$800,000 to provide landscaping and grounds maintenance services
24 for the Authority at former Naval Station Treasure Island.



CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on August 11, 2004.

Susan Po-Rufino, Secretary



City and County of San Francisco
TREASURE ISLAND DEVELOPMENT AUTHORITY
San Francisco, California 94130

Agreement between the Treasure Island Development Authority and

RUBICON ENTERPRISES, INC.

This Agreement is made this first day of September 2004, in the City and County of San Francisco, State of California, by and between Rubicon Enterprises, Inc., a California nonprofit corporation and a member organization of the Treasure Island Homeless Development Initiative, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a municipal corporation, hereinafter referred to as "Authority," acting by and through its Executive Director, hereinafter referred to as "Executive Director."

Recitals

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the City's Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, It is necessary to provide grounds maintenance services to fulfill the requirements of the Authority's contract with the United States Navy for caretaker services on former naval base Treasure Island, and to promote public health and safety on Treasure Island and

WHEREAS, the Authority wishes to support the Homeless Assistance Component of the Treasure Island Reuse Plan; and

WHEREAS, the Contractor is a member of the Treasure Island Homeless Development Initiative; and

WHEREAS, the Contractor represents and warrants that it is qualified to perform the grounds maintenance services required by the Authority as set forth in this Agreement; and

WHEREAS, the Authority has negotiated with the Contractor to reach agreement on the scope of work, and budget for janitorial services shown in Appendix A; and

WHEREAS, approval for said Agreement was obtained from the Board of Supervisors by Resolution No. 672-96 dated July 1, 1997;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the City's Controller ("Controller"), and the amount of Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to Authority and/or City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

The Authority and/or City have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority and/or City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from September 1, 2004 to June 30, 2005.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Executive Director, in her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed eight hundred thousand dollars (\$800,000). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority and/or City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority and/or City be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

(a) The Authority and/or City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

(b) Except as may be provided by laws governing emergency procedures, officers and employees of the Authority and/or City are not authorized to request, and the Authority and/or City is not required to reimburse the Contractor for Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

(c) Officers and employees of the Authority and/or City are not authorized to offer or promise, nor is the Authority and/or City required to honor, any offered or promised additional

funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

(d) The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Authority. All amounts paid by Authority and/or City to Contractor shall be subject to audit by Authority and/or City.

Payment shall be made by Authority and/or City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the Authority and/or City for three times the amount of damages which the Authority and/or City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the Authority and/or City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the Authority and/or City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the Authority and/or City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the Authority and/or City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the Authority and/or City; (c) conspires to defraud the Authority and/or City by getting a false claim allowed or paid by the Authority and/or City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Authority and/or City; or (e) is a beneficiary of an inadvertent submission of a false claim to the Authority and/or City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the Authority and/or City within a reasonable time after discovery of the false claim.

9. Disallowance

If Contractor claims or receives payment from Authority and/or City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to Authority and/or City upon Authority and/or City's request. At its option, Authority and/or City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement.

By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor

acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority and/or City property for private gain. If such a possessory interest is created, then the following shall apply:

- (1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;
- (2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority and/or City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.
- (3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.
- (4) Contractor further agrees to provide such other information as may be requested by the Authority and/or City to enable the Authority and/or City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority and/or City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and/or City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority and/or City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority and/or City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority and/or City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority and/or City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. **Independent Contractor:** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority and/or City under this Agreement. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and/or City and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority and/or City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority and/or City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. **Payment of Taxes and Other Expenses:** Should Authority and/or City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority and/or City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority and/or City, upon notification of such fact by Authority and/or City, Contractor shall promptly remit such amount due or arrange with Authority and/or City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority and/or City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority and/or City's financial liability so that Authority and/or City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

- (1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident; and
- (2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
- (3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Business Automobile Liability Insurance policies must provide the following:

- (1) Name as Additional Insured the Authority and the City and County of San Francisco, their Officers, Agents, and Employees.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty days' advance written notice to Authority and/or City of cancellation mailed to the following address:

Treasure Island Development Authority
Treasure Island Building One
410 Palm Avenue
San Francisco, CA 94130

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority and/or City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority and/or City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor must furnish to Authority and/or City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to Authority and/or City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon Authority and/or City request.

h. Approval of the insurance by Authority and/or City shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and/or City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, resulting directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, the use of Contractor's facilities or equipment provided by Authority and/or City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority and/or City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and/or City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee.

In addition to Contractor's obligation to indemnify Authority and/or City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority and/or City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and/or City and continues at all times thereafter.

Contractor shall indemnify and hold Authority and/or City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority and/or City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights which Authority and/or City may have under applicable law.

18. Liability of Authority and/or City

AUTHORITY AND/OR CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY AND/OR CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Left blank by agreement of the parties

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

- (1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, or 49.
- (2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from Authority and/or City to Contractor.
- (3) Contractor (A) is generally not paying its debts as they become due, (B) files, or consents by answer or otherwise to the filing against it of, a petition for relief or

reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (C) makes an assignment for the benefit of its creditors, (D) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (E) takes action for the purpose of any of the foregoing.

- (4) A court or government authority enters an order (A) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (B) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (C) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority and/or City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority and/or City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority and/or City on demand all costs and expenses incurred by Authority and/or City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority and/or City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and/or City and Contractor all damages, losses, costs or expenses incurred by Authority and/or City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority and/or City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority and/or City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and/or City and to minimize the liability of Contractor and Authority and/or City to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority and/or City. Such actions shall include, without limitation:

- (1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority and/or City.
- (2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- (3) Terminating all existing orders and subcontracts.
- (4) At Authority and/or City's direction, assigning to Authority and/or City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority and/or City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- (5) Subject to Authority and/or City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- (6) Completing performance of any services or work which Authority and/or City designates to be completed prior to the date of termination specified by Authority and/or City.
- (7) Taking such action as may be necessary, or as the Authority and/or City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority and/or City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority and/or City an invoice, which shall set forth each of the following as a separate line item:

- (1) The reasonable cost to Contractor, without profit, for all services and other work Authority and/or City directed Contractor to perform prior to the specified termination date, for which services or work Authority and/or City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.
- (2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority and/or City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.
- (3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority and/or City or otherwise disposed of as directed by the Authority and/or City.

- (4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority and/or City, and any other appropriate credits to Authority and/or City against the cost of the services or other work.

d. In no event shall Authority and/or City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority and/or City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority and/or City may deduct: (1) all payments previously made by Authority and/or City for work or other services covered by Contractor's final invoice; (2) any claim which Authority and/or City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority and/or City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority and/or City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority and/or City's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties Upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8, 9, 10, 11, 13, 14, 16, 17, 18, 24, 25, 26, 27, 28, 30, 43, 45 through 48, and 50.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority and/or City, and deliver in the manner, at the times, and to the extent, if any, directed by Authority and/or City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority and/or City. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provisions of §15.103 and Appendix C 8.105 of Authority and/or City's Charter and §87100

et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions.

24. Proprietary or Confidential Information of Authority and/or City

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and/or City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority and/or City. Contractor agrees that all information disclosed by Authority and/or City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority and/or City:

Tony Hall, Executive Director
Treasure Island Development Authority
Treasure Island Building One
410 Palm Avenue
San Francisco, CA 94130
FAX: 415-274-0299

To Contractor:

Rick Aubry, President
Rubicon Enterprises, Inc.
154 South 23rd Street
Richmond CA 94804
FAX: 510/412-1751

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority and/or City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes,

systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority and/or City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority and/or City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority and/or City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority and/or City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority and/or City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority and/or City by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority and/or City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority and/or City by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority and/or City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Minority/Women/Local Business Utilization; Liquidated Damages

a. Compliance

Contractor understands and agrees to comply fully with all provisions of Chapter 12D.A ("Minority/Women/ Local Business Utilization Ordinance--IV") of the San Francisco Administrative Code and agrees to include this paragraph in all subcontracts made in fulfillment of the Contractor's obligations under this Agreement. Said provisions are incorporated herein by reference and made a part of this Agreement as though fully set forth. Contractor's willful failure to comply with Chapter 12D.A is a material breach of contract.

b. Enforcement

If Contractor willfully fails to comply with any of the provisions of Chapter 12D.A, the rules and regulations implementing Chapter 12D.A, or the provisions of this Agreement pertaining to MBE or WBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the Authority and/or City's Human Rights Commission (HRC) may also impose other sanctions against Contractor authorized in Chapter 12D.A, including declaring the Contractor to be irresponsible and ineligible to contract with the Authority and/or City for a period of up to five years or revocation of the Contractor's

MBE or WBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to §12D.A.16C.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority and/or City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with Authority and/or City.

Contractor agrees to maintain records necessary for monitoring its compliance with Chapter 12D.A for a period of three years following termination of this contract.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, Authority and/or City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the S.F. Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the Authority and/or City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the S.F. Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the S.F. Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §12B.2(h) of the S.F. Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to S.F. Administrative Code §12.F.5, the Authority and/or City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The Authority and/or City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to S.F. Administrative Code §12I.5(b), the Authority and/or City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on Authority and/or City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation; Liquidated Damages

Chapter 21A of the S.F. Administrative Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 21A will be deemed a material breach of contract.

In the event Contractor fails to comply in good faith with any of the provisions of Chapter 21A, Contractor will be liable for liquidated damages in an amount equal to Contractor's net

profit under this Agreement, or 5% of the total contract amount, whichever is greater. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to Authority and/or City upon demand and may be offset against any monies due to Contractor from any contract with Authority and/or City.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with S.F. Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and/or City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least \$250,000 in Authority and/or City funds or Authority and/or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority and/or City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Requiring Minimum Compensation for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this

Agreement as though fully set forth. The text of the MCO is available on the web at www.ci.sf.ca.us/MCO. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Contractor agrees to all of the following:

(a) For each hour worked by a Covered Employee during a Pay Period on work funded under the Authority and/or City contract during the term of this Agreement, Contractor shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the hourly gross compensation portion of the MCO, the Contractor shall pay \$9.00 an hour through December 31, 2001. On January 1, 2002, Contractor shall increase the hourly gross compensation to \$10.00 an hour; provided, however, that if Contractor is a Nonprofit Corporation or a public entity, it shall be required to pay the increased amount only if the Authority and/or City makes the finding required by Section 12P.3(a)(ii) of the San Francisco Administrative Code. If Contractor is required to increase the gross hourly compensation to \$10.00 an hour, it shall provide the 2.5% annual increase required by the MCO for each of the next three years.

(b) Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the Authority and/or City with regard to Contractor's compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

(c) Contractor understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Contractor of the terms of this Agreement. The Authority and/or City, acting through the Contracting Department, shall determine whether such a breach has occurred.

(d) If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the Authority and/or City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

- (1) The right to charge Contractor an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;
- (2) The right to set off all or any portion of the amount described in Subsection (d)(1) of this Section against amounts due to Contractor under this Agreement;
- (3) The right to terminate this Agreement in whole or in part;
- (4) In the event of a breach by Contractor of the covenant referred to in Subsection (b) of this

Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and

- (5) The right to bar Contractor from entering into future contracts with the Authority and/or City for three years.

Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the Authority and/or City. Any amounts realized by the Authority and/or City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

(e) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(f) Contractor shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Contractor from the AUTHORITY AND/OR CITY, which communications are marked to indicate that they are to be distributed to Covered Employees.

(g) Contractor shall provide reports to the Authority and/or City in accordance with any reporting standards promulgated by the Authority and/or City under the MCO, including reports on subcontractors.

(h) The Contractor shall provide the Authority and/or City with access to pertinent records after receiving a written request from the Authority and/or City to do so and being provided at least five (5) business days to respond.

(i) The Authority and/or City may conduct random audits of Contractor. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (iv) limited to one audit of Contractor every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the Authority and/or City from investigating any report of an alleged violation of the MCO.

(j) Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. A subcontract means an agreement between the Contractor and a third party which requires the third party to perform all or a portion of the services covered by this Agreement. Contractor shall notify the Department of Administrative Services when it enters into such a subcontract and shall certify to the Department of Administrative Services that it has notified the subcontractor of the obligations under the MCO and has imposed the requirements of the MCO on the subcontractor through the provisions of the subcontract. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this

Agreement fails to comply, Authority and/or City may pursue any of the remedies set forth in this Section against Contractor.

(k) Each Covered Employee is a third-party beneficiary with respect to the requirements of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Contractor of subsections (a) and (b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Contractor understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Contractor of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Contractor arising from this Agreement, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Contractor also understands that the MCO provides that if Contractor prevails in any such action, Contractor may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

(l) If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

43. Requiring Health Benefits for Covered Employees

Unless exempt, Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this agreement as though fully set forth. The text of the HCAO is available on the web at www.ci.sf.ca.us/HCAO. Capitalized terms used in this Section and not defined in this agreement shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

(b) Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority and/or City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority and/or City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Authority and/or City shall have the right to pursue the remedies set forth in 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Authority and/or City.

(d) Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify Authority and/or City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Authority and/or City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that Authority and/or City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

(e) Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Authority and/or City with regard to Contractor's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Contractor shall keep itself informed of the current requirements of the HCAO.

(h) Contractor shall provide reports to the Authority and/or City in accordance with any reporting standards promulgated by the Authority and/or City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Contractor shall provide Authority and/or City with access to records pertaining to compliance with HCAO after receiving a written request from Authority and/or City to do so and being provided at least five business days to respond.

(j) Authority and/or City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with Authority and/or City when it conducts such audits.

(k) If Contractor is exempt from the HCAO when this Agreement is executed because its

amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with Authority and/or City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the Authority and/or City to be equal to or greater than \$75,000 in the fiscal year.

44. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20%.

45. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the City's Office of Contract Administration which shall decide the true meaning and intent of the Agreement.

46. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

47. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

48. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 44.

49. Compliance with Laws

Contractor shall keep itself fully informed of the Authority and/or City's Charter, codes, ordinances and regulations of the Authority and/or City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

50. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then

(a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

AUTHORITY AND/OR CITY

Recommended by:

Tony Hall, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

Approved:

Naomi Little
Director, Office of Contract Administration

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the Authority and/or City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Rick Aubry, President
Rubicon Enterprises, Inc.
154 South 23rd Street
Richmond, CA 94804
FEIN: 68-0353815
Vendor No. 46249
510/412-1771

APPENDICES

- A: Services to be provided by Contractor
- B: Calculation of Charges

APPENDIX A SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor shall provide all labor, materials, and equipment necessary to perform groundskeeping and landscape maintenance services on each Base parcel identified in Exhibit 1, "Map of Treasure Island" and Exhibit 2, "Map of Yerba Buena Island" according to the following Landscape Maintenance Specifications. In fulfilling the terms of this Agreement, Contractor shall follow the Integrated Pest Management Program of the City and County of San Francisco. In performing its rights and responsibilities under this Agreement, Contractor shall comply with the workforce hiring goals for qualified economically disadvantaged San Francisco residents as provided in Addendum 1 to this Appendix A.

LANDSCAPE MAINTENANCE SPECIFICATIONS FORTREASURE AND YERBA BUENA ISLANDS

Level 1 Services

Turf Grass Mowing and Associated Cleanup: All turf areas shall be maintained in a once per week during the growing season and twice per month for the period November 15 through March 1, an average of two times per month. Turf grass height shall be maintained between 2 inches and 3.5 inches at all times. Mower blades shall be sharp and provide a clean and even cut. Mower blades shall be sharp and provide a clean and even cut. Prior to mowing, all trash, papers, and other debris shall be removed from turf areas. Surface imperfections such as gopher mounds shall be leveled out. Rubicon shall repair or replace any items damaged as a result of any Rubicon mowing operation. All edges along curbs, sidewalks, roadways, and other paved areas, and around light poles, hydrants, light guards, and signs shall be trimmed on once per week. Tree wells shall be maintained around all trees and large shrubs growing in lawn and turf areas. A weed control program shall be implemented to achieve turf areas relatively free of broadleaf weeds and other targeted weeds. All clippings shall be cleared from walkways, roadways, and other paved areas. Rubicon shall recycle and reuse waste plant material to the greatest extent possible.

Annual & Perennial Color Plants: Annual color shall be planted in specified areas as directed by assigned staff of the Mayor's Treasure Island Project Office. Planting shall occur three times per year by October 15, April 1, and July 15. Plant beds shall be maintained at all times to insure good plant health and appearance. Plant beds shall be dressed with fine, uniform organic compost. It is estimated that no more than 1,000 flats of annuals (333 flats per planting session) and some perennials will be required.

Trees and Shrubs: All trees and shrubs shall be pruned to as required to promote proper health, provide safe passage, maintain a healthy and pleasing appearance, and prevent interference with pedestrian and vehicular traffic. Trees and shrubs shall be treated as necessary to prevent disease, fungus, and insect damage. Trees shall be pruned to keep their canopies from extending into pathways. All tree pruning shall be limited to heights under 12 feet. Pruning shall be performed to: prevent growth in front of windows, over entranceways and walkways, and in

locations where visibility at street intersections would be obstructed; remove dead, diseased or damaged growth; evenly form or balance trees and shrubs to maintain their established shape; informal hedges or screen plantings shall not be converted to formal shapes; remove tree branches up to eight inches (8") in diameter and within ten feet (10') of the ground if such branches extend over pathways or roads; extensive pruning and "cut back" activities shall be accomplished in the winter to give trees sufficient time to recover before the growing season; ivy and ground cover shall be kept to a minimum of eight inches (8") from shrubs and trees; a 3-inch layer of mulch will be installed over bare soil in shrub areas to discourage weeds and improve soil. Any abnormal and large infestation of insects or disease organisms that cause extensive damage to mature trees, or to a great number of trees, shall be performed as directed at an additional cost.

Fertilization, Weed Control, Fungicides and Insecticides: Fertilization shall be applied up to four (4) times per year to promote the proper health and appearance of turf, shrubs, trees, groundcover, and color areas. A complete fertilizer with an analysis of 16-6-6 or other commercial liquid fertilizers are not acceptable. Herbicides, fungicides, insecticides and lime shall be applied as necessary to maintain superior plant health and appearance.

Irrigation: Irrigation shall be performed in a manner that promotes proper plant health and growth. Irrigation shall include the watering of lawns, shrubs, trees, planting areas, round cover and containerized plants. Rubicon shall provide back-flow prevention devices approved by the San Francisco Department of Public Works on all hoses that are used for watering and all connections made to fire hydrants.

At the Facilities Manager's sole discretion, Rubicon shall be responsible for replacing or repairing damage caused to fire hydrants through Rubicon's use of any unapproved back-flow devices. Rubicon shall also repair or replace, at the Facilities Manager's sole discretion, damage caused by Rubicon to sprinkler heads, valves, piping, fire hydrants, or any other equipment. Rubicon shall not be responsible for replacing or repairing any irrigation system components that wear out or fail as a result of normal use, unless directed to do so under a separate additional work agreement. The Facilities Manager shall provide water for irrigation and electricity for irrigation controllers, and shall be responsible for maintaining any repairing any underground piping located more than one foot from any sprinkler head.

Weed Control In Paved Areas: Weeds shall be removed from all asphalt and other Paved areas. Herbicides shall be applied to prevent re-growth.

Policing: All maintenance areas shall be policed at least once per week to remove paper and other trash type litter.

Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be cleaned two (2) times per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playground, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a week to remove foreign objects.

<u>Level 1 Task Summary</u>	<u>Frequency / Year</u>
Policing	52
Mowing	43
Edging/Trimming	43
Fertilization	as needed
Shrub and Tree maintenance	as needed
Disease and Insect Control	as needed
Weed Control, Lawns	3 times PLUS spot spraying as needed
Storm Damage Cleanup	as needed
General Debris Pick-up	as needed
Hand irrigation	54

These frequencies are average, projected amounts of service that are projected to provide the standard of maintenance described above. Depending on overall weather patterns, and associated plant responses, some tasks may be performed more times than shown and others less times than shown.

Level 2 Services

Turf Grass Mowing and Associated Cleanup: Turf areas shall be mowed an average of two times per month. Turf grass height shall be maintained between 2 inches and 4 inches at all times. Mower blades shall be sharp and provide a clean and even cut. Mower blades shall be sharp and provide a clean and even cut. Prior to mowing, all trash, papers, and other debris shall be removed from turf areas. Surface imperfections such as gopher mounds shall be leveled out. Rubicon shall repair or replace any items damaged as a result of any Rubicon mowing operation. All edges along curbs, sidewalks, roadways, and other paved areas, and around light poles, hydrants, light guards, and signs shall be trimmed on once per month. Tree wells shall be maintained around all trees and large shrubs growing in lawn and turf areas. All clippings shall be cleared from walkways, roadways, and other paved areas.

Trees and Shrubs: All trees and shrubs shall be pruned to provide safe passage, maintain a healthy and pleasing appearance, and prevent interference with pedestrian and vehicular traffic. Trees and shrubs shall be treated as necessary to prevent disease, fungus, and insect damage. Any abnormal and large infestation of insects or disease organisms that cause extensive damage to mature trees, or to a great number of trees, shall be performed as directed at an additional cost. Shrub beds shall be kept free of weeds, debris, sucker growth, and dead plant material.

Irrigation: Irrigation shall be performed in a manner that promotes good appearance of landscaped areas. Irrigation shall include the watering of lawns, shrubs, tree, ground cover and containerized plants. Rubicon shall provide back-flow prevention devices approved by the San

Francisco Department of Public Works on all hoses that are used for watering and all connections made to fire hydrants.

At the Facilities Manager's sole discretion, Rubicon shall be responsible for replacing or repairing damage caused to fire hydrants through Rubicon's use of any unapproved back-flow devices. Rubicon shall also repair or replace, at the Facilities Manager's sole discretion, damage caused by Rubicon to sprinkler heads, valves, piping, fire hydrants, or any other equipment. Rubicon shall not be responsible for replacing or repairing any irrigation system components that wear out or fail as a result of normal use, unless directed to do so under a separate additional work agreement. The Facilities Manager shall provide water for irrigation and electricity for irrigation controllers, and shall be responsible for maintaining any repairing any underground piping located more than one foot from any sprinkler head.

Weed Control In Paved Areas: Weeds shall be removed from all asphalt and other Paved areas. Herbicides shall be applied to prevent re-growth.

Policing, Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be policed at least twice per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playground, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a week to remove foreign objects.

<u>Level 2 Task Summary</u>	<u>Frequency / Year</u>
Policing	24
Mowing	24
Edging/Trimming	24
Fertilization	0
Shrub and Tree maintenance	as needed
Disease and Insect Control	as needed
Weed Control, Lawns	0
Storm Damage Cleanup	as needed
General Debris Pickup	as needed
Hand Irrigation	36

These frequencies are average projected amounts of service that we feel will be required to provide the standard of maintenance described above. Depending on overall weather patterns and associated plant responses we may perform some tasks more times than shown and others less times than shown.

Level 3 Services

Mowing and Associated Cleanup: Grass and weeds shall be cut 16 times per year. Prior to mowing, all trash and debris, including leaves, paper and other objects within the maintenance area shall be removed. Grass/weeds shall be maintained at a uniform height Of not less than 2" and not more than 5".

Trees and Shrubs: All trees and shrubs shall be pruned as required to encourage proper health and to maintain a pleasing appearance. Any extensive pruning or "cut back" shall be accomplished in the winter or during the dormant season. Ivy and ground cover shall be kept a minimum of eight inches (8") from shrubs and trees. Shrub beds shall be kept free of weeds, debris, sucker growth, and dead plant material.

Weed Control In Paved Areas: Weeds shall be removed from all asphalt and other paved areas four times per year. Herbicides shall b applied to prevent re-growth.

Policing, Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be policed at least twice per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playgrounds, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a month to remove foreign objects.

Irrigation: Level 3 areas shall not include any irrigation

Miscellaneous Specifications

Firebreak Requirements: Certain areas on Yerba Buena Island shall be maintained as firebreaks in the following manner as directed by the Division of Fire Prevention and Investigation San Francisco Fire Department.

All buildings under the care and management of the City of San Francisco shall have the areas around them cleared to a distance of a minimum of 30 feet. All roadways on City property shall have the areas on either side of them cleared to a distance of at minimum of 10 feet. The cleared areas shall be kept free of combustible materials such as dry weeds, shrubs, trash, and fallen debris from trees. Normal leaf and pine needle accumulation shall not be removed. Weeds shall be cut or mowed to a maximum height vegetation remains green throughout the year and presents little or no fire hazard shall be left alone. Any vegetation obstructing roadways or growing against buildings shall removed as directed by the Facilities Manager. Removal of any trees over 4 inches in diameter or over 12 feet high within the fire break areas shall only be performed as additional work under a separate agreement.

Sea Wall Requirements: The sea wall is defined as the flat area adjacent to the rock revetment that comprises the perimeter of Treasure Island. From the end of Palm Avenue at 9th Street the sea wall runs around the housing area and returns to the harbor behind Building 1. Weeds in this area shall be kept at a height of 4 inches or less by beams of mechanical and chemical control.

Trash shall be removed once per month. Any debris that occurs in other areas along the sea wall shall be the responsibility of others unless negotiated as extra work separate from this agreement.

Storm Drains Requirements for Both Islands: Storm drains and V ditches shall be cleaned as often as necessary during the rainy season in to keep them clear of debris.

Garbage Cans and Tourist Stop at Front Gate: Garbage cans shall be emptied 3 times per week. The tourist parking area and sidewalk at the front gate shall be swept or blown Monday through Friday.

For any questions, to report damages, or problems, contact the Mayor's Treasure Island Project Office:

Lori Mazzola, Special Events Coordinator, tel: 274-0312

Deputy Executive Director or Facilities Manager, tel:274-0660

ADDENDUM 1 TO APPENDIX A

1. WORKFORCE HIRING GOALS

In performing its rights and responsibilities under this Agreement, Contractor shall comply with the following workforce hiring goals for qualified homeless or otherwise economically disadvantaged persons and San Francisco residents.

1.1 Contractor's Workforce Hiring Goals. Contractor shall use Good faith Efforts to meet the work force hiring goals described herein (the "Workforce Goals"). For purposes of this Section 1, Contractor's Good Faith Efforts shall include, but not be limited to, the following:

(a) Submitting detailed written plans describing how Contractor intends to meet the Workforce Goals (a "Hiring Plan").

(b) Listing jobs available on the Premises with the TIHDI Job Broker at least two weeks prior to advertising for applicants elsewhere;

(c) Considering for appropriate job openings all candidates who are qualified, screened and referred to it by the TIHDI Job Broker;

(d) Establishing with TIHDI mutually acceptable means of communicating about job openings and provide information about jobs and about outcomes of referrals within a reasonable time upon request by the TIHDI Job Broker;

(e) Consulting with the TIHDI Job Broker on an ongoing basis about how to meet Contractor's Workforce Goals; and

(f) Meeting and conferring with the TIHDI Job Broker to discuss and attempt to resolve any problems with Contractor meeting its Workforce Goals.

1.2 Burden of Proof. If the Workforce Goals are not met, Contractor shall have the burden of establishing in any Enforcement Procedure described in Section 1.9 below that it made Good Faith Efforts and that the candidates who were selected were better qualified for work than the homeless or economically disadvantages persons who applied or were referred by the TIHDI Job Broker.

1.3 Construction Workforce. Without obligation (other than as expressly set forth herein), Contractor shall also be required to give consideration for hiring on all construction projects on the Premises to qualified homeless or otherwise economically disadvantaged persons, and to qualified residents of San Francisco whose annual income, at the time of hire, is at or below fifty percent (50%) of median income for the City as determined by HUD.

1.4 Subcontracting. Contractor will consider subcontracting certain tasks to be performed by Contractor under this Agreement to TIHDI member organizations, particularly for grounds keeping, janitorial, recycling and deconstruction activities. Subcontracts with TIHDI

organizations will be included for purposes of determining Contractor's Good Faith Efforts to meet the Work Force Goals.

1.5 Hiring Plan.

(a) Contractor shall submit its Hiring Plan to the Authority within sixty (60) days of the Commencement Date. Contractor's Hiring Plan shall include a detailed description of how Contractor intends to meet its Workforce Goals, which description should include community outreach and recruiting efforts, hiring procedures (e.g., phased hiring), a projected schedule for meeting the Workforce Goals, and alternative courses of action if it appears that the Workforce Goals will not be met.

(b) During the first 30 days after the Hiring Plan is submitted, the Authority and Contractor shall negotiate in good faith solutions to any deficiencies in the Hiring Plan as reasonably determined by the Authority. At the expiration of such 30-day period, the Authority shall advise Contractor, through a written "Notice of Noncompliance," of any alleged deficiency in the Hiring Plan remaining at the close of such negotiations. The Notice of Noncompliance shall state the specific basis for the alleged deficiency(ies) and the Authority's suggested cure. Contractor shall advise the Authority within 10 days of its receipt of the Notice of Noncompliance whether Contractor accepts the suggested cure. If the Contractor rejects the suggested cure, either party may proceed immediately to the Enforcement Procedure pursuant to Section 1.9 below by filing a Request for Enforcement ("Request") on the Hiring Plan. The Request shall specify the issues presented and the relief requested.

1.6 Reports. Contractor shall prepare reports regarding the composition of Contractor's work force reasonably satisfactory to the Authority.

1.7 Matters Subject to Enforcement Procedure. In addition to the initial preparation of the Hiring Plan, all matters related to implementing the Hiring Plan and the Workforce Goals are subject to the Enforcement Procedure described in Section 1.9 below.

1.8 Implementation of Enforcement Procedure. The Enforcement Procedure, as provided for in Section 1.9 below, shall be the exclusive procedure for resolving any dispute concerning the interpretation or implementation of the Hiring Plan or any alleged deficiency in Contractor's Good Faith Efforts to achieve the Workforce Goals. The Enforcement Procedure shall be implemented by the Human Rights Commission of the City of County of San Francisco (the "Commission"), which shall have the powers described below unless otherwise provided by law.

(a) All subcontracts related to the Agreement ("Subcontracts") shall incorporate the provisions of this Section 1 and the Authority shall have the right to enforce said obligations, requirements and agreements against the Contractor or its subcontractors. Contractor shall require, by contract, that each subcontractor participates in Enforcement Procedure proceedings in which it may be identified in a Request, and that each subcontractor shall be bound by the outcome of such Enforcement Procedure according to the decision of the Commission.

1.9 Enforcement Procedure.

(a) If the Authority reasonably determines that Contractor has failed to use Good Faith Efforts to meet the Workforce Goals, or for any other matter subject to this Enforcement Procedure the Authority shall send a written Notice of Noncompliance to Contractor describing the basis for its determination and suggesting a means to cure any deficiencies. If Contractor does not, in the reasonable discretion of the Authority, cure the deficiency within ten (10) days, the matter shall be submitted to the following Enforcement Procedure.

(i) Prior to the filing and service of a Request, the parties to any dispute shall meet and confer in an attempt to resolve the dispute.

(ii) The Authority, Contractor or any subcontractor may commence resolution of any dispute covered by the Enforcement Procedure by filing a Request with the Commission. Where the Authority is not the complaining party, the Request shall be served on the Authority. Where the Authority is the complaining party, the Request shall be served on the Contractor at the Notice Address listed in the Agreement, and the non-compliant subcontractor, if any, if such service can be achieved with reasonable effort. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify the entities involved in the dispute and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

(iii) Service on the Contractor of the Request or any notice provided for by this Section 1 shall constitute service of the Request or notice on all subcontractors who are identified as being in alleged noncompliance in the Request. The Contractor shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such subcontractors.

(iv) The TIHDI Job Broker shall have the right to present testimony or documentary evidence at Enforcement Procedure proceedings.

(v) After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Enforcement Procedure, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction ("Temporary Relief"). The Commission shall determine whether the facts reasonably supported the issuance of Temporary Relief.

(vi) If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request, unless otherwise agreed by the parties or ordered by the Commission upon a showing of good cause; provided, that if the complaining party seeks a temporary restraining order, the hearing on the motion for a temporary restraining order shall be heard not later than two (2) business days after the filing of the Request, and provided further, if a party seeks a preliminary injunction, such motion shall be heard on 15 days' notice. The Commission shall set the date, time and place for the

Enforcement Procedure hearing(s) within the proscribed time periods by giving notice by hand delivery to the Authority and the Contractor; except, where a temporary restraining order is sought, the Commission may give notice of the hearing date, time and place to the Authority, Contractor and any affected subcontractor by telephone.

(vii) In the Enforcement Procedure proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

(b) Commission's Decision. The Commission shall render a decision within 20 days of the date that the hearing on a Request is completed; provided that where a temporary restraining order is sought, the Commission shall render a decision not later than 24 hours after the hearing on the motion. The Commission shall send the decision by certified or registered mail to the Authority, the Contractor and the subcontractor, if any.

(i) The Commission may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In a proceeding seeking a default award against a party other than the Contractor, the Contractor shall provide proof of service on the party as required by this Article. If the Contractor fails to provide proof of service, the Contractor shall pay \$2,500 as liquidated damages to the Authority, provided that no such damages shall be assessed if the Contractor demonstrates that it made good faith efforts to serve the party. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

(ii) Except as otherwise provided in this Section 1, the Commission shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agreement, or to negotiate new agreements or provisions between the parties.

(iii) The inquiry of the Commission shall be restricted to the particular controversy that gave rise to the request for the Enforcement Procedure. A decision of the Commission issued hereunder shall be final and binding upon the Authority, Contractor, and subcontractors, if any, sent by mail to the Authority, the Contractor and the subcontractor, if any. The losing party shall pay the Commission's fees and related costs of the Enforcement Procedure. If a subcontractor is the losing party and fails to pay said fees within 30 days of the decision, the Contractor shall pay the fees. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Commission finds that the Request was frivolous or that the Enforcement Procedure action was otherwise instituted or litigated in bad faith. Judgment upon the Commission's decision may be entered in any court of competent jurisdiction.

(c) Remedies and Sanctions. Except as may otherwise be expressly provided herein, the Commission may impose only the remedies and sanctions set forth below and only against the non-compliant party(ies):

(i) Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the Contractor's failure to make Good Faith Efforts, and/or to require Contractor

and/or its subcontractors to make such Good Faith Efforts, including, but not limited to, orders enjoining the Contractor from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for employment at the Premises pending resolution of the alleged deficiency(ies) in the Hiring Plan or Contractor's implementation of the Workforce Goals.

(ii) Require the Contractor or Subcontractors to refrain from entering into new contracts related to work related to the Agreement, or from granting extensions or other modifications to existing contracts related to the Agreement, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract, with any non-compliant subcontractor until such subcontractor provides assurances satisfactory to the Authority and the Contractor of future Good Faith Efforts to comply with the Workforce Goals.

(iii) Direct the Contractor or subcontractor to cancel, terminate, suspend or cause to be canceled, terminated or suspended, any contract or lease or portion(s) thereof for failure of the subcontractor to make Good Faith Efforts to comply with the Workforce Goals, provided, however that Subcontracts may be continued upon the condition that a program for future compliance is approved by the Authority.

(iv) If the Contractor or subcontractor is found to be in willful breach of its obligations to make Good Faith Efforts to achieve the Workforce Goals, impose financial penalties not to exceed \$50,000 or 10 percent of the total monetary consideration contemplated by the Agreement, whichever is less, for each such breach on the party responsible for the willful breach; provided, however, no penalty shall be imposed pursuant to this paragraph for the first willful breach unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. The Contractor or subcontractor may impose penalties for subsequent willful breaches whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

(v) Direct that the Contractor or subcontractor produce and provide to the Authority any records, data or reports that are necessary to determine if a violation has occurred and/or to monitor the performance of the Contractor or Subcontractor.

(vi) Issue such other relief deemed necessary to ensure that the Hiring Plan is written and implemented, and that Contractor makes Good Faith Efforts to meet its Workforce Goals, including requiring the inclusion or exclusion of specific terms or provisions in the Hiring Plan based on a determination that the term(s) added or removed further the requirements and objectives of this Section 1.

(d) Delays due to enforcement. If Contractor does not timely perform its obligations under the Agreement with the Authority because of a Commission's order against a party other than the Contractor, such order shall be deemed an event of Force Majeure, and the time for any performance by the Contractor shall be extended as provided therein; provided, however, that Contractor shall make good faith efforts to minimize any delays.

(e) Exculpatory clause. The Contractor and its subcontractors hereby forever waive and release any and all claims against the Authority for Losses arising under or related to this Section 1.

(f) California law applies. California law, including the California Arbitration Act, Code of Civil Procedure §§1280 through 1294.2, shall govern all the Enforcement Procedure proceedings.

(g) Designation of agent for service. Not later than five (5) days after the execution of this Agreement, the Contractor shall designate a person or business, residing or located in the City and County of San Francisco, as its agent for service of a Request and all notices provided for herein. If the Contractor has an office located in San Francisco, it may designate itself as agent for service. The designation shall be served on

1.10. Relationship to Other Employment Agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce-training agreements or interfere with consent decrees, collective bargaining agreements or existing employment contracts. In the case of collective bargaining agreements, Contractor will take primary responsibility for integrating the requirements of Contractor's Workforce Goals with any such collective bargaining agreements. As necessary, Contractor will attempt to negotiate equivalent first source hiring obligations with relevant unions.

APPENDIX B BUDGET

For an amount not to exceed \$59,863.00 per month, or \$598,630 for 10 months, Contractor will provide the following:

PARCEL	DESCRIPTION	SERVICE LEVEL	10 months FY04
parcel 1	bldg 1, tourist stop, causeway	1	29,205
parcel 1A	bldg 180	1	7,123
parcel 2	bldg 2	1	18,088
parcel 3	bldg 3	1	7,450
parcel 4	pier 1	3	1,277
parcel 5	Calif. between M&I	2	4,096
parcel 6	picnic area tennis courts	3	7,387
parcel 6A	baseball field	3	2,609
parcel 6B	bldg 233 lift station surrounds	3	3,457
parcel 7	bldg 92 & surrounds	3	16,977
parcel 8	bldg 99, 29, & surrounds	3	12,558
parcel 9	demolition site		
parcel 10	legal bldg & surrounds	2	17,625
parcel 11	Job Corps		
parcel 12	post office	3	4,839
parcel 13	dog park site/playing fields	1	46,174
parcel 14	star barracks	2	26,035
parcel 15	great lawn casa chapel library	1	110,480
parcel 16	Nimitz conference center	2	17,144
parcel 17	TIHDI childcare center		
parcel 18	navy exchange	3	1,610
parcel 18A	CEC laydown		
parcel 18B	bldg 257	3	4,371
parcel 19	old brig	3	7,821
parcel 19A	field		
parcel 20	elementary school		
parcel 21	See adjunct item		
parcel 21A	See adjunct item		
parcel 22	fire school	3	1,807
parcel 23	PUC	3	4,129
parcel 24	brig	1	7,740
parcel 25	gas station	3	1,911
parcel 26	sewage treatment		
parcel 27	area near Austin Hall	1	1,811
parcel 27A	Austin Hall & surrounds	3	
parcel 28A	housing ir sites		
parcel 28B	housing ir sites		
parcel 29	auto hobby shop	3	2,473
YERBA BUENA ISLAND			
Captains Park		1	7,077
quarters 1	Nimitz House	2	5,699
quarters 2-7	great whites	2	14,667
quarters 61		1	2,867
quarters 62			6,471
quarters 240			6,945

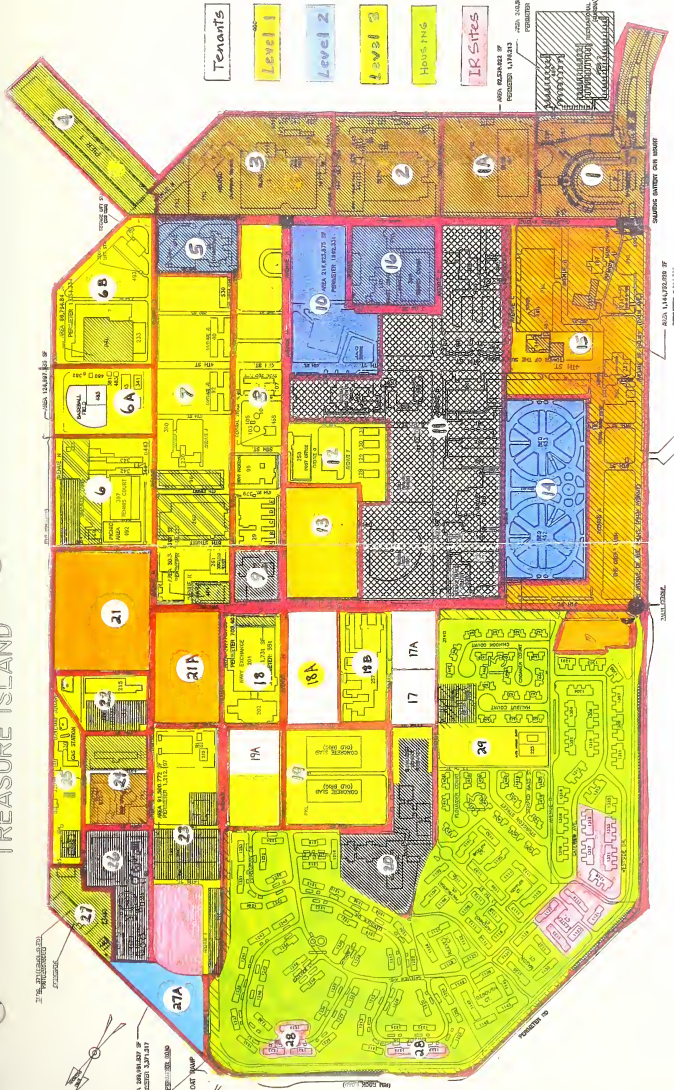
SUBTOTAL		409,923
Adjunct Work Items		
item 1	fire breaks	38,087
item 2	outer seawall	10,473
item 3	inner seawall	6,325
item 4	garbage & tourist stop	12,789
item 5	T! garbage cans	10,643
item 6	poison oak	1,266
item 7	annual planting & maintenance	19,463
item 8	diseases & insects	1,586
item 9	storm damage clean-up	25,365
item 10	inventory housing (parcel 28)	11,109
item 11	reservoir maintenance	15,821
item 12	pump station maintenance	4,153
item 13	parcel 21	10,705
item 14	parcel 21A gym & surrounds	16,253
item 15	parcel 27A	4,669
Subtotal		188,707
TOTAL		598,630
Additional Services		201,370
CONTRACT MAXIMUM		800,000

Written authorization is required to expend funds allocated for additional landscape services and playground rehabilitation services.



TREASURE ISLAND

- Tenants
- Level 1
- Level 2
- Level 3
- HOUSING
- IR Sites



AREA 114472100 IF
FOUNDED 11/14/33

AREA 114472100 IF
FOUNDED 11/14/33

AREA 114472100 IF
FOUNDED 11/14/33

AREA 114472100 IF
FOUNDED 11/14/33

AREA 114472100 IF
FOUNDED 11/14/33

- Level 1
- Level 2
- Level 3
- J.S.Co



Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director
To Execute a Contract with Toolworks, Inc. for
Janitorial and Building Maintenance Services for
An Amount Not to Exceed \$110,000 (Action Item).

Agenda Item No. 12
Meeting of August 11, 2004

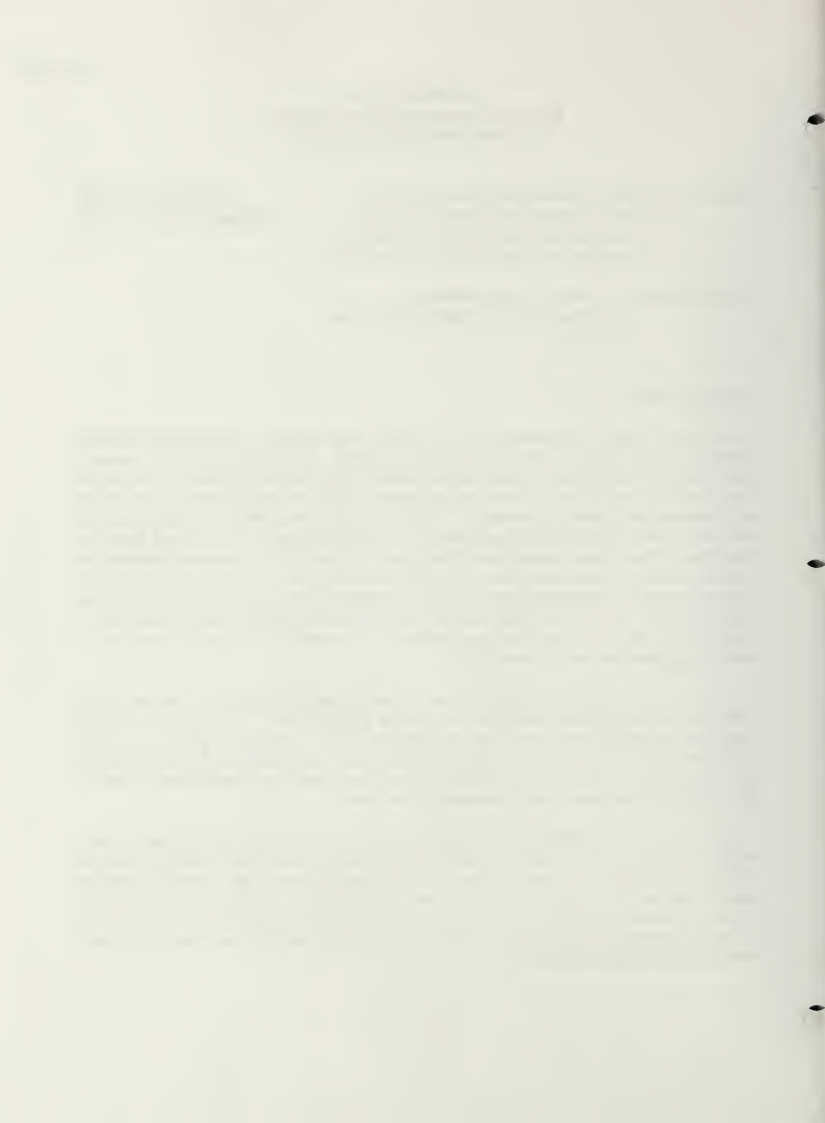
Contact/Phone: Tony Hall, Executive Director
Tina Pasco-Sanchez, Project Administrator
274-0660

BACKGROUND

Toolworks, a member organization of the Treasure Island Homeless Development Initiative (TIHDI), is a non-profit agency organized to provide services that increase economic opportunities for economically-disadvantaged people with disabilities. Most of Toolworks' clients are homeless. Clients are recruited through the TIHDI Job Broker Program and through the Homeless Employment Collaborative. One of Toolworks' programs is contractual janitorial services. Janitorial and other building maintenance services are identified in the draft Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans. In addition, through Toolworks' business ventures, ongoing employment opportunities have been created for Island residents. The Board of Supervisors has authorized the Authority to engage in sole source negotiations with TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan.

Over the past years, Toolworks has developed a specific training program for Treasure Island. Toolworks has one fulltime supervisor dedicated to Treasure Island. This person trains and supervises the work of four trainees who work five hours a day, five days a week for 10 weeks. The trainees are then helped to find fulltime janitorial jobs. Toolworks gives priority placement in this program to Treasure Island residents. In addition, Toolworks commits trained staff to provide janitorial services to event venues on the weekends.

Janitorial services are required for the Treasure Island Project offices and the special event venues. Since the event venues often are booked for both Saturdays and Sundays, janitorial services are needed seven days a week. The proposed contract with Toolworks provides janitorial services seven days a week for an amount not to exceed \$8,000 per month or \$80,000 for the period from September 1, 2004 through June 30, 2005. The contract also provides for \$30,000 in additional janitorial services, including (subject to negotiation) assistance with special event support during the same term.



RECOMMENDATION

Staff recommends approval of the contract for janitorial services with Toolworks from September 1, 2004 through June 30, 2005.

EXHIBITS

A Contract with Toolworks, Inc.

1 [Toolworks Contract]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH
3 TOOLWORKS, INC. TO PROVIDE JANITORIAL AND BUILDING MAINTENANCE
4 SERVICES FOR THE PERIOD SEPTEMBER 1, 2004 THROUGH JUNE 30, 2005 FOR AN
5 AMOUNT NOT TO EXCEED \$110,000.

6 **WHEREAS**, Naval Station Treasure Island is a military base located on Treasure
7 Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United
8 States of America ("the Federal Government"); and,

9 **WHEREAS**, Treasure Island was selected for closure and disposition by the Base
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 **WHEREAS**, In 1995, the General Services Administration and the Bureau of Land
13 Management determined that Yerba Buena Island was surplus to the Federal Government's
14 needs and could be transferred to the administrative jurisdiction of the Department of Defense
15 under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure
16 Island; and,

17 **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
18 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
19 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
20 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
21 conversion of the Base for the public interest, convenience, welfare and common benefit of
22 the inhabitants of the City and County of San Francisco; and,

23 **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended
24 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
25 1333 of the Statutes of 1968 (the "Act"), the California Legislature (l) designated the Authority



1 as a redevelopment agency under California redevelopment law with authority over the Base
2 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
3 Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer
4 the public trust for commerce, navigation and fisheries as to such property; and

5 **WHEREAS**, The Board of Supervisors approved the designation of the Authority as a
6 redevelopment agency for Treasure Island in 1997; and,

7 **WHEREAS**, the City and County of San Francisco negotiated a proposed Base
8 Closure Homeless Assistance Agreement and Option to Lease Real Property with the
9 Treasure Island Homeless Development Initiative, a California nonprofit corporation organized
10 to utilize the resources of former naval base Treasure Island available to help fill gaps in the
11 continuum of care for homeless persons and families, pursuant to the Base Closure
12 Community Redevelopment and Homeless Assistance Act of 1994; and,

13 **WHEREAS**, the Authority wishes to support the Treasure Island Homeless
14 Development Initiative pursuant to the Base Closure Community Redevelopment and
15 Homeless Assistance Act of 1994; and

16 **WHEREAS**, the Contractor represents and warrants that it is qualified to perform the
17 janitorial and other building maintenance services required by the Authority as set forth under
18 this Contract; and

19 **WHEREAS**, the Authority has negotiated with the Contractor to reach agreement on
20 the scope of work, and budget for the services shown in Appendix A; now, therefore be it

21 **RESOLVED**, That the Authority hereby authorizes the Executive Director of the Project
22 to execute a contract with Toolworks, Inc., a California public benefit corporation, for an
23 amount not to exceed \$110,000 to provide janitorial and other building maintenance services
24 for the Authority at former Naval Station Treasure Island.
25

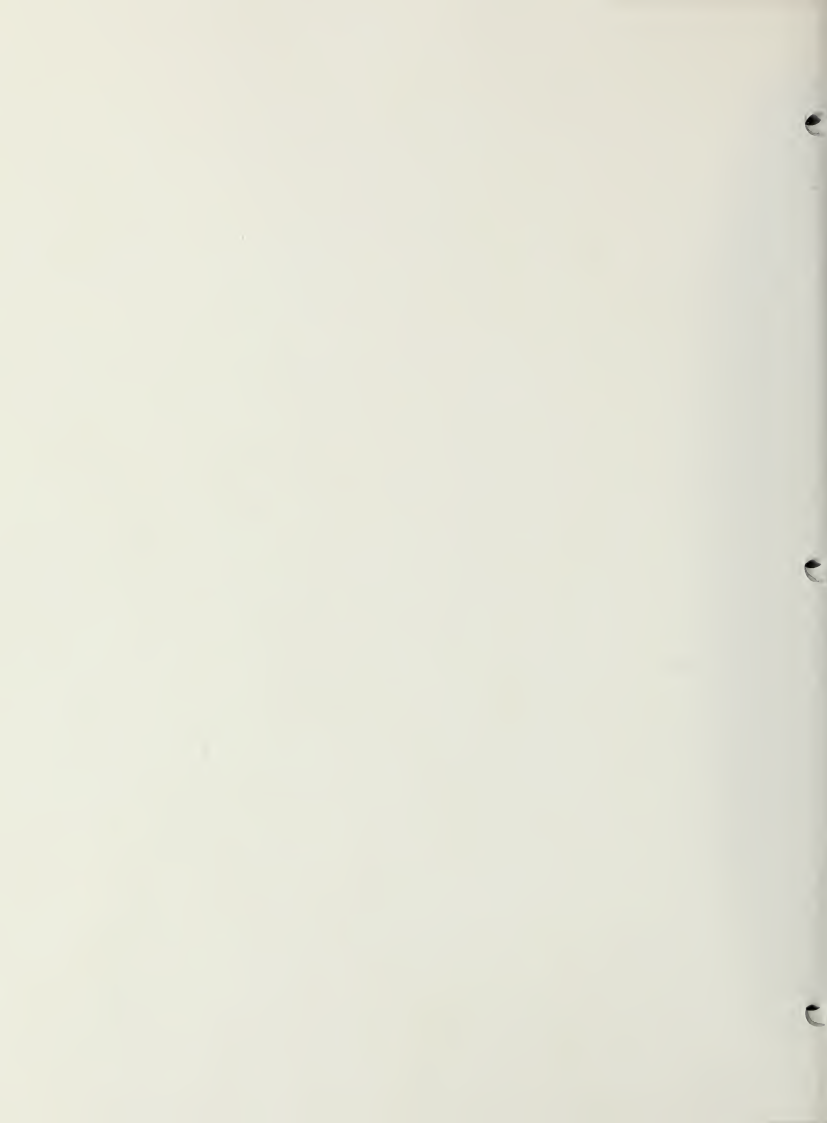


CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on August 11, 2004.

Susan Po-Rufino, Secretary





City and County of San Francisco
TREASURE ISLAND DEVELOPMENT AUTHORITY
Treasure Island Building 1, 410 Palm Avenue
San Francisco, California 94130

Agreement between the Treasure Island Development Authority and

TOOLWORKS, INC.

This Agreement is made this first day of September 2004, in the City and County of San Francisco, State of California, by and between Toolworks, Inc., a California nonprofit corporation and a member organization of the Treasure Island Homeless Development Initiative, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a municipal corporation, hereinafter referred to as "Authority," acting by and through its Executive Director, hereinafter referred to as "Executive Director."

Recitals

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the City's Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, It is necessary to provide janitorial services to fulfill the requirements of the Authority's contract with the United States Navy for caretaker services on former naval base Treasure Island, and to promote public health and safety on Treasure Island and

WHEREAS, the Authority wishes to support the Homeless Assistance Component of the Treasure Island Reuse Plan; and

WHEREAS, the Contractor is a member of the Treasure Island Homeless Development Initiative; and

WHEREAS, the Contractor represents and warrants that it is qualified to perform the janitorial services required by the Authority as set forth in this Agreement; and

WHEREAS, the Authority has negotiated with the Contractor to reach agreement on the scope of work, and budget for janitorial services shown in Appendix A; and

WHEREAS, approval for said Agreement was obtained from the Board of Supervisors by Resolution No. 672-96 dated July 1, 1997;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the City's Controller ("Controller"), and the amount of Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to Authority and/or City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

The Authority and/or City have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority and/or City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from September 1, 2004 to June 30, 2005.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Executive Director, in her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed one hundred ten thousand dollars (\$110,000). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority and/or City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority and/or City be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

(a) The Authority and/or City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

(b) Except as may be provided by laws governing emergency procedures, officers and employees of the Authority and/or City are not authorized to request, and the Authority and/or City is not required to reimburse the Contractor for Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

(c) Officers and employees of the Authority and/or City are not authorized to offer or promise, nor is the Authority and/or City required to honor, any offered or promised additional

funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

(d) The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Authority. All amounts paid by Authority and/or City to Contractor shall be subject to audit by Authority and/or City.

Payment shall be made by Authority and/or City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the Authority and/or City for three times the amount of damages which the Authority and/or City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the Authority and/or City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the Authority and/or City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the Authority and/or City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the Authority and/or City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the Authority and/or City; (c) conspires to defraud the Authority and/or City by getting a false claim allowed or paid by the Authority and/or City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Authority and/or City; or (e) is a beneficiary of an inadvertent submission of a false claim to the Authority and/or City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the Authority and/or City within a reasonable time after discovery of the false claim.

9. Disallowance

If Contractor claims or receives payment from Authority and/or City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to Authority and/or City upon Authority and/or City's request. At its option, Authority and/or City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement.

By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor

acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority and/or City property for private gain. If such a possessory interest is created, then the following shall apply:

- (1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;
- (2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority and/or City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.
- (3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.
- (4) Contractor further agrees to provide such other information as may be requested by the Authority and/or City to enable the Authority and/or City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority and/or City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not

have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and/or City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority and/or City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority and/or City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority and/or City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority and/or City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. **Independent Contractor:** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority and/or City under this Agreement. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and/or City and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority and/or City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority and/or City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. **Payment of Taxes and Other Expenses:** Should Authority and/or City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority and/or City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority and/or City, upon notification of such fact by Authority and/or City, Contractor shall promptly remit such amount due or arrange with Authority and/or City to have the amount due withheld from future payments to Contractor under this Agreement (again,

offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority and/or City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority and/or City's financial liability so that Authority and/or City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

- (1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident; and
- (2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
- (3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Business Automobile Liability Insurance policies must provide the following:

- (1) Name as Additional Insured the Authority and the City and County of San Francisco, their Officers, Agents, and Employees.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty days' advance written notice to Authority and/or City of cancellation mailed to the following address:

Treasure Island Development Authority
Treasure Island Building One
410 Palm Avenue
San Francisco, CA 94130

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority and/or City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority and/or City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor must furnish to Authority and/or City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to Authority and/or City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon Authority and/or City request.

h. Approval of the insurance by Authority and/or City shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and/or City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, resulting directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, the use of Contractor's facilities or equipment provided by Authority and/or City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority and/or City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and/or City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee.

In addition to Contractor's obligation to indemnify Authority and/or City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority and/or City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and/or City and continues at all times thereafter.

Contractor shall indemnify and hold Authority and/or City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority and/or City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights which Authority and/or City may have under applicable law.

18. Liability of Authority and/or City

AUTHORITY AND/OR CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY AND/OR CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Left blank by agreement of the parties

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

- (1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, or 49.
- (2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from Authority and/or City to Contractor.
- (3) Contractor (A) is generally not paying its debts as they become due, (B) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (C) makes an assignment for the benefit of its creditors, (D) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (E) takes action for the purpose of any of the foregoing.

- (4) A court or government authority enters an order (A) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (B) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (C) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority and/or City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority and/or City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority and/or City on demand all costs and expenses incurred by Authority and/or City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority and/or City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and/or City and Contractor all damages, losses, costs or expenses incurred by Authority and/or City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority and/or City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority and/or City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and/or City and to minimize the liability of Contractor and Authority and/or City to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority and/or City. Such actions shall include, without limitation:

- (1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority and/or City.
- (2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- (3) Terminating all existing orders and subcontracts.

- (4) At Authority and/or City's direction, assigning to Authority and/or City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority and/or City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- (5) Subject to Authority and/or City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- (6) Completing performance of any services or work which Authority and/or City designates to be completed prior to the date of termination specified by Authority and/or City.
- (7) Taking such action as may be necessary, or as the Authority and/or City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority and/or City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority and/or City an invoice, which shall set forth each of the following as a separate line item:

- (1) The reasonable cost to Contractor, without profit, for all services and other work Authority and/or City directed Contractor to perform prior to the specified termination date, for which services or work Authority and/or City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.
- (2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority and/or City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.
- (3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority and/or City or otherwise disposed of as directed by the Authority and/or City.
- (4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority and/or City, and any other appropriate credits to Authority and/or City against the cost of the services or other work.

d. In no event shall Authority and/or City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority and/or City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority and/or City may deduct: (1) all payments previously made by Authority and/or City for work or other services covered by Contractor's final invoice; (2) any claim which Authority and/or City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority and/or City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority and/or City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority and/or City's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties Upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8, 9, 10, 11, 13, 14, 16, 17, 18, 24, 25, 26, 27, 28, 30, 43, 45 through 48, and 50.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority and/or City, and deliver in the manner, at the times, and to the extent, if any, directed by Authority and/or City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority and/or City. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provisions of §15.103 and Appendix C 8.105 of Authority and/or City's Charter and §87100 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions.

24. Proprietary or Confidential Information of Authority and/or City

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and/or City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority and/or City. Contractor agrees that all information disclosed by Authority and/or City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority and/or City:

Tony Hall, Executive Director
Treasure Island Development Authority
Treasure Island Building One
410 Palm Avenue
San Francisco, CA 94130
FAX: 415-274-0299

To Contractor:

Steven Crabel, Executive Director
Toolworks, Inc.
1119 Market Street Suite 300
San Francisco CA 94103
FAX: 415/621-8943

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority and/or City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority and/or City. If it is ever determined that any works created by Contractor or its

subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority and/or City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority and/or City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority and/or City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority and/or City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority and/or City by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority and/or City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority and/or City by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority and/or City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Minority/Women/Local Business Utilization; Liquidated Damages

a. Compliance

Contractor understands and agrees to comply fully with all provisions of Chapter 12D.A ("Minority/Women/ Local Business Utilization Ordinance--IV") of the San Francisco Administrative Code and agrees to include this paragraph in all subcontracts made in fulfillment of the Contractor's obligations under this Agreement. Said provisions are incorporated herein by reference and made a part of this Agreement as though fully set forth. Contractor's willful failure to comply with Chapter 12D.A is a material breach of contract.

b. Enforcement

If Contractor willfully fails to comply with any of the provisions of Chapter 12D.A, the rules and regulations implementing Chapter 12D.A, or the provisions of this Agreement pertaining to MBE or WBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the Authority and/or City's Human Rights Commission (HRC) may also impose other sanctions against Contractor authorized in Chapter 12D.A, including declaring the Contractor to be irresponsible and ineligible to contract with the Authority and/or City for a period of up to five years or revocation of the Contractor's MBE or WBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to §12D.A.16C.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority and/or City upon

demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with Authority and/or City.

Contractor agrees to maintain records necessary for monitoring its compliance with Chapter 12D.A for a period of three years following termination of this contract.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, Authority and/or City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the S.F. Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the Authority and/or City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the S.F. Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the S.F. Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §12B.2(h) of the S.F. Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to S.F. Administrative Code §12.F.5, the Authority and/or City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The Authority and/or City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to S.F. Administrative Code §12I.5(b), the Authority and/or City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on Authority and/or City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation; Liquidated Damages

Chapter 21A of the S.F. Administrative Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 21A will be deemed a material breach of contract.

In the event Contractor fails to comply in good faith with any of the provisions of Chapter 21A, Contractor will be liable for liquidated damages in an amount equal to Contractor's net profit under this Agreement, or 5% of the total contract amount, whichever is greater. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to Authority and/or City upon demand and may be offset against any monies due to Contractor from any contract with Authority and/or City.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with S.F. Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and/or City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least \$250,000 in Authority and/or City funds or Authority and/or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority and/or City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Requiring Minimum Compensation for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.ci.sf.ca.us/MCO. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Contractor agrees to all of the following:

(a) For each hour worked by a Covered Employee during a Pay Period on work funded under the Authority and/or City contract during the term of this Agreement, Contractor shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the hourly gross compensation portion of the MCO, the Contractor shall pay \$9.00 an hour through December 31, 2001. On January 1, 2002, Contractor shall increase the hourly gross compensation to \$10.00 an hour; provided, however, that if Contractor is a Nonprofit Corporation or a public entity, it shall be required to pay the increased amount only if the Authority and/or City makes the finding required by Section 12P.3(a)(ii) of the San Francisco Administrative Code. If Contractor is required to increase the gross hourly compensation to \$10.00 an hour, it shall provide the 2.5% annual increase required by the MCO for each of the next three years.

(b) Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the Authority and/or City with regard to Contractor's compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

(c) Contractor understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Contractor of the terms of this Agreement. The Authority and/or City, acting through the Contracting Department, shall determine whether such a breach has occurred.

(d) If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the Authority and/or City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

- (1) The right to charge Contractor an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;
- (2) The right to set off all or any portion of the amount described in Subsection (d)(1) of this Section against amounts due to Contractor under this Agreement;
- (3) The right to terminate this Agreement in whole or in part;
- (4) In the event of a breach by Contractor of the covenant referred to in Subsection (b) of this Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and
- (5) The right to bar Contractor from entering into future contracts with the Authority and/or City

for three years.

Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the Authority and/or City. Any amounts realized by the Authority and/or City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

(e) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(f) Contractor shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Contractor from the AUTHORITY AND/OR CITY, which communications are marked to indicate that they are to be distributed to Covered Employees.

(g) Contractor shall provide reports to the Authority and/or City in accordance with any reporting standards promulgated by the Authority and/or City under the MCO, including reports on subcontractors.

(h) The Contractor shall provide the Authority and/or City with access to pertinent records after receiving a written request from the Authority and/or City to do so and being provided at least five (5) business days to respond.

(i) The Authority and/or City may conduct random audits of Contractor. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (iv) limited to one audit of Contractor every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the Authority and/or City from investigating any report of an alleged violation of the MCO.

(j) Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. A subcontract means an agreement between the Contractor and a third party which requires the third party to perform all or a portion of the services covered by this Agreement. Contractor shall notify the Department of Administrative Services when it enters into such a subcontract and shall certify to the Department of Administrative Services that it has notified the subcontractor of the obligations under the MCO and has imposed the requirements of the MCO on the subcontractor through the provisions of the subcontract. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority and/or City may pursue any of the remedies set forth in this Section against Contractor.

(k) Each Covered Employee is a third-party beneficiary with respect to the requirements

of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Contractor of subsections (a) and (b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Contractor understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Contractor of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Contractor arising from this Agreement, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Contractor also understands that the MCO provides that if Contractor prevails in any such action, Contractor may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

(l) If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

43. Requiring Health Benefits for Covered Employees

Unless exempt, Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this agreement as though fully set forth. The text of the HCAO is available on the web at www.ci.sf.ca.us/HCAO. Capitalized terms used in this Section and not defined in this agreement shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

(b) Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority and/or City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority and/or City's written notice of a breach of this

Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Authority and/or City shall have the right to pursue the remedies set forth in 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Authority and/or City.

(d) Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify Authority and/or City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Authority and/or City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that Authority and/or City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

(e) Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Authority and/or City with regard to Contractor's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Contractor shall keep itself informed of the current requirements of the HCAO.

(h) Contractor shall provide reports to the Authority and/or City in accordance with any reporting standards promulgated by the Authority and/or City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Contractor shall provide Authority and/or City with access to records pertaining to compliance with HCAO after receiving a written request from Authority and/or City to do so and being provided at least five business days to respond.

(j) Authority and/or City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with Authority and/or City when it conducts such audits.

(k) If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with Authority and/or City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative

amount of agreements between Contractor and the Authority and/or City to be equal to or greater than \$75,000 in the fiscal year.

44. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20%.

45. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the City's Office of Contract Administration which shall decide the true meaning and intent of the Agreement.

46. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

47. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

48. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 44.

49. Compliance with Laws

Contractor shall keep itself fully informed of the Authority and/or City's Charter, codes, ordinances and regulations of the Authority and/or City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

50. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

AUTHORITY AND/OR CITY

Recommended by:

Tony Hall, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

Approved:

Naomi Little
Director, Office of Contract Administration

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the Authority and/or City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Steven Crabel, Executive Director
Toolworks, Inc.
1119 Market Street Suite 300
San Francisco, CA 94103
FEIN: 94-2493384
Vendor No. 46565
415/621-8665

APPENDICES

- A: Services to be provided by Contractor
- B: Calculation of Charges

**City and County of San Francisco
TREASURE ISLAND DEVELOPMENT AUTHORITY
Treasure Island Building 1, 410 Palm Avenue
San Francisco, California 94130**

Scope & Budget of the Agreement between the Treasure Island Development Authority and

TOOLWORKS, INC.

**APPENDIX A
SERVICES TO BE PROVIDED BY CONTRACTOR**

Toolworks ("Contractor") shall provide all labor, materials, and equipment necessary to perform janitorial services to buildings on Treasure Island and Yerba Buena Islands as described below. In performing the services provided for in this Appendix, Contractor's liaison with the Treasure Island Development Authority shall be Lori Mazzola, Special Events Coordinator.

For the following Treasure and Yerba Buena Island facilities, Building One, 410 Palm Avenue, Casa de la Vista, Chapel, Fogwatch, Nimitz Conference Center, and the Nimitz House, Contractor shall:

- Furnish all labor and materials for scheduled janitorial services
- Provide all necessary dispensers for soap, towels, toilet paper, seat covers and assure dispenser uniformity among all venues
- Stock all venues with cleaning supplies and appliances, including vacuum cleaners, mops, brooms, brushes
- Provide transportation of all staff among venues

Services to be performed:

- Empty all trash and place in outside debris boxes
- Empty all trash and place in outside debris boxes
- Vacuum all rugs
- Sweep all floors
- Mop all floors
- Dry-mop hardwood floors
- Spot clean all rugs and floors
- Dust and clean all furniture, ledges, corners, windowsills, countertops, and all dirt & dust gathering surfaces
- Dust around door and window ledges
- Dust cobwebs
- Clean all accessible windows inside and out
- Clean all mirrors and glass doors

- Clean all bathrooms, including toilets, urinals, sinks, countertops, windows, ledges, floors, stalls
- Clean all kitchens, including floors, appliances, mirrors, windows, and ledges
- Clean all appliances, inside and out, including ovens, refrigerators, freezers, grills and sinks
- Clean all bar areas including floors, appliances, under any mats, sinks
- Clean all fireplace covers and ledges
- Clean all rooms, including storage rooms, of all facilities
- Wipe off and clean all tabletops, table legs and chairs
- In Chapel, clean pews, dusts & polish podiums and pulpit and shelving area behind altar
- For all facilities clean in and around all doorways (inside and outside), sweep and remove trash for all entries and walkways
- In Casa, clean and sweep patio, empty trash cans and ashtrays, check landscaping for trash and remove
- Refill and replace bathroom and kitchen supplies including hand soap, hand towels, toilet paper, seat covers – all containers must be full at all times
- Keep bathroom and kitchen supply cabinets fully stocked

For Building One:

- Monthly: buff resilient floors
- Monthly polish brass railings and other brass fixtures
- Yearly: refinish all hard floors

For any questions, to report damages, or problems, contact the Mayor's Treasure Island Project Office:

Lori Mazzola, Special Events Coordinator, tel: 274-0312

Deputy Executive Director or Facilities Manager, tel: 274-0660

ADDENDUM 1 TO APPENDIX A

1. WORKFORCE HIRING GOALS

In performing its rights and responsibilities under this Agreement, Contractor shall comply with the following workforce hiring goals for qualified homeless or otherwise economically disadvantaged persons and San Francisco residents.

1.1 Contractor's Workforce Hiring Goals. Contractor shall use Good faith Efforts to meet the work force hiring goals described herein (the "Workforce Goals"). For purposes of this Section 1, Contractor's Good Faith Efforts shall include, but not be limited to, the following:

(a) Submitting detailed written plans describing how Contractor intends to meet the Workforce Goals (a "Hiring Plan").

(b) Listing jobs available on the Premises with the TIHDI Job Broker at least two weeks prior to advertising for applicants elsewhere;

(c) Considering for appropriate job openings all candidates who are qualified, screened and referred to it by the TIHDI Job Broker;

(d) Establishing with TIHDI mutually acceptable means of communicating about job openings and provide information about jobs and about outcomes of referrals within a reasonable time upon request by the TIHDI Job Broker;

(e) Consulting with the TIHDI Job Broker on an ongoing basis about how to meet Contractor's Workforce Goals; and

(f) Meeting and conferring with the TIHDI Job Broker to discuss and attempt to resolve any problems with Contractor meeting its Workforce Goals.

1.2 Burden of Proof. If the Workforce Goals are not met, Contractor shall have the burden of establishing in any Enforcement Procedure described in Section 1.9 below that it made Good Faith Efforts and that the candidates who were selected were better qualified for work than the homeless or economically disadvantages persons who applied or were referred by the TIHDI Job Broker.

1.3 Construction Workforce. Without obligation (other than as expressly set forth herein), Contractor shall also be required to give consideration for hiring on all construction projects on the Premises to qualified homeless or otherwise economically disadvantaged persons, and to qualified residents of San Francisco whose annual income, at the time of hire, is at or below fifty percent (50%) of median income for the City as determined by HUD.

1.4 Subcontracting. Contractor will consider subcontracting certain tasks to be performed by Contractor under this Agreement to TIHDI member organizations, particularly for grounds keeping, janitorial, recycling and deconstruction activities. Subcontracts with TIHDI

organizations will be included for purposes of determining Contractor's Good Faith Efforts to meet the Work Force Goals.

1.5 Hiring Plan.

(a) Contractor shall submit its Hiring Plan to the Authority within sixty (60) days of the Commencement Date. Contractor's Hiring Plan shall include a detailed description of how Contractor intends to meet its Workforce Goals, which description should include community outreach and recruiting efforts, hiring procedures (e.g., phased hiring), a projected schedule for meeting the Workforce Goals, and alternative courses of action if it appears that the Workforce Goals will not be met.

(b) During the first 30 days after the Hiring Plan is submitted, the Authority and Contractor shall negotiate in good faith solutions to any deficiencies in the Hiring Plan as reasonably determined by the Authority. At the expiration of such 30-day period, the Authority shall advise Contractor, through a written "Notice of Noncompliance," of any alleged deficiency in the Hiring Plan remaining at the close of such negotiations. The Notice of Noncompliance shall state the specific basis for the alleged deficiency(ies) and the Authority's suggested cure. Contractor shall advise the Authority within 10 days of its receipt of the Notice of Noncompliance whether Contractor accepts the suggested cure. If the Contractor rejects the suggested cure, either party may proceed immediately to the Enforcement Procedure pursuant to Section 1.9 below by filing a Request for Enforcement ("Request") on the Hiring Plan. The Request shall specify the issues presented and the relief requested.

1.6 Reports. Contractor shall prepare reports regarding the composition of Contractor's work force reasonably satisfactory to the Authority.

1.7 Matters Subject to Enforcement Procedure. In addition to the initial preparation of the Hiring Plan, all matters related to implementing the Hiring Plan and the Workforce Goals are subject to the Enforcement Procedure described in Section 1.9 below.

1.8 Implementation of Enforcement Procedure. The Enforcement Procedure, as provided for in Section 1.9 below, shall be the exclusive procedure for resolving any dispute concerning the interpretation or implementation of the Hiring Plan or any alleged deficiency in Contractor's Good Faith Efforts to achieve the Workforce Goals. The Enforcement Procedure shall be implemented by the Human Rights Commission of the City of County of San Francisco (the "Commission"), which shall have the powers described below unless otherwise provided by law.

(a) All subcontracts related to the Agreement ("Subcontracts") shall incorporate the provisions of this Section 1 and the Authority shall have the right to enforce said obligations, requirements and agreements against the Contractor or its subcontractors. Contractor shall require, by contract, that each subcontractor participates in Enforcement Procedure proceedings in which it may be identified in a Request, and that each subcontractor shall be bound by the outcome of such Enforcement Procedure according to the decision of the Commission.

1.9 Enforcement Procedure.

(a) If the Authority reasonably determines that Contractor has failed to use Good Faith Efforts to meet the Workforce Goals, or for any other matter subject to this Enforcement Procedure the Authority shall send a written Notice of Noncompliance to Contractor describing the basis for its determination and suggesting a means to cure any deficiencies. If Contractor does not, in the reasonable discretion of the Authority, cure the deficiency within ten (10) days, the matter shall be submitted to the following Enforcement Procedure.

(i) Prior to the filing and service of a Request, the parties to any dispute shall meet and confer in an attempt to resolve the dispute.

(ii) The Authority, Contractor or any subcontractor may commence resolution of any dispute covered by the Enforcement Procedure by filing a Request with the Commission. Where the Authority is not the complaining party, the Request shall be served on the Authority. Where the Authority is the complaining party, the Request shall be served on the Contractor at the Notice Address listed in the Agreement, and the non-compliant subcontractor, if any, if such service can be achieved with reasonable effort. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify the entities involved in the dispute and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

(iii) Service on the Contractor of the Request or any notice provided for by this Section 1 shall constitute service of the Request or notice on all subcontractors who are identified as being in alleged noncompliance in the Request. The Contractor shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such subcontractors.

(iv) The TIHDI Job Broker shall have the right to present testimony or documentary evidence at Enforcement Procedure proceedings.

(v) After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Enforcement Procedure, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction ("Temporary Relief"). The Commission shall determine whether the facts reasonably supported the issuance of Temporary Relief.

(vi) If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request, unless otherwise agreed by the parties or ordered by the Commission upon a showing of good cause; provided, that if the complaining party seeks a temporary restraining order, the hearing on the motion for a temporary restraining order shall be heard not later than two (2) business days after the filing of the Request, and provided further, if a party seeks a preliminary injunction, such motion shall be heard on 15 days' notice. The Commission shall set the date, time and place for the

Enforcement Procedure hearing(s) within the proscribed time periods by giving notice by hand delivery to the Authority and the Contractor; except, where a temporary restraining order is sought, the Commission may give notice of the hearing date, time and place to the Authority, Contractor and any affected subcontractor by telephone.

(vii) In the Enforcement Procedure proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

(b) Commission's Decision. The Commission shall render a decision within 20 days of the date that the hearing on a Request is completed; provided that where a temporary restraining order is sought, the Commission shall render a decision not later than 24 hours after the hearing on the motion. The Commission shall send the decision by certified or registered mail to the Authority, the Contractor and the subcontractor, if any.

(i) The Commission may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In a proceeding seeking a default award against a party other than the Contractor, the Contractor shall provide proof of service on the party as required by this Article. If the Contractor fails to provide proof of service, the Contractor shall pay \$2,500 as liquidated damages to the Authority, provided that no such damages shall be assessed if the Contractor demonstrates that it made good faith efforts to serve the party. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

(ii) Except as otherwise provided in this Section 1, the Commission shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agreement, or to negotiate new agreements or provisions between the parties.

(iii) The inquiry of the Commission shall be restricted to the particular controversy that gave rise to the request for the Enforcement Procedure. A decision of the Commission issued hereunder shall be final and binding upon the Authority, Contractor, and subcontractors, if any, sent by mail to the Authority, the Contractor and the subcontractor, if any. The losing party shall pay the Commission's fees and related costs of the Enforcement Procedure. If a subcontractor is the losing party and fails to pay said fees within 30 days of the decision, the Contractor shall pay the fees. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Commission finds that the Request was frivolous or that the Enforcement Procedure action was otherwise instituted or litigated in bad faith. Judgment upon the Commission's decision may be entered in any court of competent jurisdiction.

(c) Remedies and Sanctions. Except as may otherwise be expressly provided herein, the Commission may impose only the remedies and sanctions set forth below and only against the non-compliant party(ies):

(i) Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the Contractor's failure to make Good Faith Efforts, and/or to require Contractor

and/or its subcontractors to make such Good Faith Efforts, including, but not limited to, orders enjoining the Contractor from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for employment at the Premises pending resolution of the alleged deficiency(ies) in the Hiring Plan or Contractor's implementation of the Workforce Goals.

(ii) Require the Contractor or Subcontractors to refrain from entering into new contracts related to work related to the Agreement, or from granting extensions or other modifications to existing contracts related to the Agreement, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract, with any non-compliant subcontractor until such subcontractor provides assurances satisfactory to the Authority and the Contractor of future Good Faith Efforts to comply with the Workforce Goals.

(iii) Direct the Contractor or subcontractor to cancel, terminate, suspend or cause to be canceled, terminated or suspended, any contract or lease or portion(s) thereof for failure of the subcontractor to make Good Faith Efforts to comply with the Workforce Goals, provided, however that Subcontracts may be continued upon the condition that a program for future compliance is approved by the Authority.

(iv) If the Contractor or subcontractor is found to be in willful breach of its obligations to make Good Faith Efforts to achieve the Workforce Goals, impose financial penalties not to exceed \$50,000 or 10 percent of the total monetary consideration contemplated by the Agreement, whichever is less, for each such breach on the party responsible for the willful breach; provided, however, no penalty shall be imposed pursuant to this paragraph for the first willful breach unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. The Contractor or subcontractor may impose penalties for subsequent willful breaches whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

(v) Direct that the Contractor or subcontractor produce and provide to the Authority any records, data or reports that are necessary to determine if a violation has occurred and/or to monitor the performance of the Contractor or Subcontractor.

(vi) Issue such other relief deemed necessary to ensure that the Hiring Plan is written and implemented, and that Contractor makes Good Faith Efforts to meet its Workforce Goals, including requiring the inclusion or exclusion of specific terms or provisions in the Hiring Plan based on a determination that the term(s) added or removed further the requirements and objectives of this Section 1.

(d) Delays due to enforcement. If Contractor does not timely perform its obligations under the Agreement with the Authority because of a Commission's order against a party other than the Contractor, such order shall be deemed an event of Force Majeure, and the time for any performance by the Contractor shall be extended as provided therein; provided, however, that Contractor shall make good faith efforts to minimize any delays.

(e) Exculpatory clause. The Contractor and its subcontractors hereby forever waive and release any and all claims against the Authority for Losses arising under or related to this Section 1.

(f) California law applies. California law, including the California Arbitration Act, Code of Civil Procedure §§1280 through 1294.2, shall govern all the Enforcement Procedure proceedings.

(g) Designation of agent for service. Not later than five (5) days after the execution of this Agreement, the Contractor shall designate a person or business, residing or located in the City and County of San Francisco, as its agent for service of a Request and all notices provided for herein. If the Contractor has an office located in San Francisco, it may designate itself as agent for service. The designation shall be served on

1.10. Relationship to Other Employment Agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce-training agreements or interfere with consent decrees, collective bargaining agreements or existing employment contracts. In the case of collective bargaining agreements, Contractor will take primary responsibility for integrating the requirements of Contractor's Workforce Goals with any such collective bargaining agreements. As necessary, Contractor will attempt to negotiate equivalent first source hiring obligations with relevant unions.

APPENDIX B BUDGET

For an amount not to exceed \$8,000 per month, or \$80,000 for the period from September 1, 2004 through June 30, 2005, Contractor will provide:

- 74 hours of janitorial services weekly, including weekends and holidays
- cleaning equipment, materials and supplies
- soap, toilet paper, hand towels, seat covers for all restrooms and kitchens in all venues
- Uniform soap and paper goods dispensers for all restrooms and kitchens in all venues
- transport of equipment and personnel among venues

For an amount not to exceed \$30,000 per year at the specific request of Special Events Coordinator, or Deputy Executive Director:

- Carpet cleaning @ \$40.00 per 500 square feet (500 sf minimum service area)
- Additional window cleaning @ \$30.00 per hour
- Additional janitorial services @ \$30.00 per hour
- Special event services including opening and closing event venues and monitoring event activities @ \$30.00 per hour



Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director to Execute a Contract with Economic and Planning Systems to Provide Economic Consulting Services to Support Negotiations with the U.S. Navy and the Master Developer in an Amount Not to Exceed \$150,000 (Action Item).

Agenda Item No. 13
Meeting of August 11, 2004

Contact/Phone: Jack Sylvan, Treasure Island Project Manager
Office of Base Reuse and Development

BACKGROUND

The Treasure Island Development Authority (Authority), working through and with the Office of Base Reuse and Development, is currently engaged in a simultaneous, dual track process of negotiating transfer of the property from the U.S. Navy and negotiating a development plan and agreement with a master developer for the economic redevelopment of former Naval Station Treasure Island. An integral component of these interlinked negotiations is iterative financial feasibility and fiscal impacts evaluations. The Authority, like most public agencies with the responsibility of managing development, has and will continue to rely heavily on third party consultants with the technical expertise to assist with these services.

Over the course of the history of planning for former NSTI, the Authority has developed a productive and successful working relationship with Economic and Planning Systems (EPS) with regard to providing economic and real estate consulting services. EPS was initially selected in February 1999 via an RFP submittal and selection process as part of a team of consultants. EPS lead the process of preparing an Economic Development Conveyance Application and Business Plan to submit to the Navy, which was completed and delivered in June 2000. Subsequently, when the Navy requested an updated EDC Application and Business Plan in the summer of 2003, the Authority utilized EPS to conduct the analysis, respond to Navy questions and prepare an updated financial and fiscal analysis. EPS has also participated, to a limited extent, in providing feedback to the Authority in evaluating the master developer proposals from a financial and fiscal perspective.

DISCUSSION

As staff has mentioned several times in recent months, negotiations with the Navy and the master developer have become inextricably linked to the extent that it is prudent from both fiscal and efficiency standpoints to utilize a single economics consultant. Additionally, the financial model developed by EPS for the EDC Application has become the baseline for the financial analysis being developed that will be common to both the Navy and master developer negotiations.

THEORY OF THE EARTH

47

The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its features. The theory of the earth is based on the study of the earth's structure and the forces which have acted upon it. It is a science which is constantly developing as new discoveries are made and new theories are proposed. The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its features. The theory of the earth is based on the study of the earth's structure and the forces which have acted upon it. It is a science which is constantly developing as new discoveries are made and new theories are proposed.

In addition to EPS' extensive experience with the Treasure Island redevelopment project, the firm has developed a particular expertise in the area of planning and negotiation of closed military bases. As an example, EPS is currently engaged in an exceedingly similar process of dual negotiations at the Alameda Naval Air Station. There is a tremendous benefit in leveraging the consultant's current experience at other bases for the Treasure Island project.

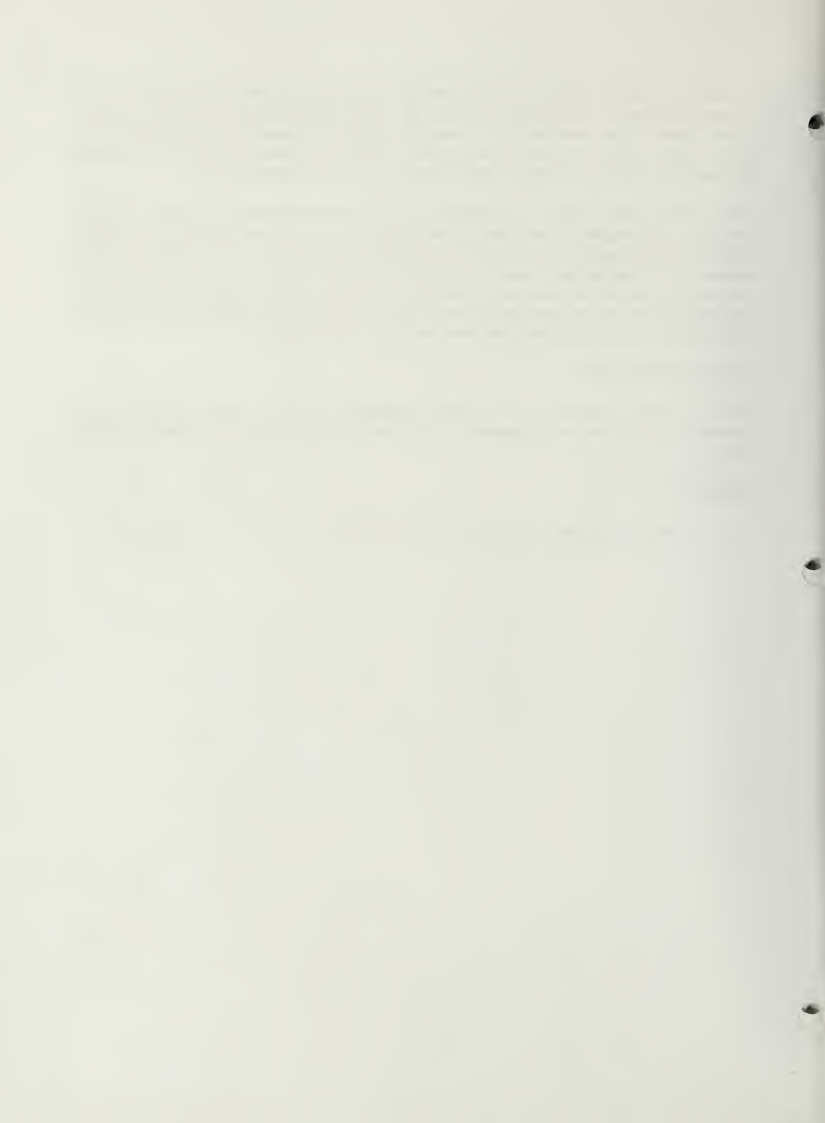
There are three primary tasks under the scope of work in the proposed new contract with EPS, consisting of (1) Disposition and Development Negotiations with the master developer, (2) EDC Application refinements, as necessary, and negotiations with the Navy, and (3) a Fiscal Analysis relevant to both of the prior tasks. The estimated cost to complete the scope of work is an amount not to exceed \$150,000 (as detailed on the attached budget). Based on conversations with EPS, the term of the contract will be from September 1, 2004 through December 31, 2005, a term consistent with the proposed term sheet and DDA review schedule.

RECOMMENDATION

Staff recommends approval of the proposed contract with EPS to provide real estate and economic consulting services in support of the redevelopment of former Naval Station Treasure Island.

EXHIBITS

A Scope of Services and Budget to Contract with EPS



1 [Authorization to Execute Contract with EPS]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH
3 ECONOMIC AND PLANNING SYSTEMS FOR AN AMOUNT NOT TO EXCEED ONE
4 HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) FOR ECONOMIC CONSULTING
5 SERVICES IN SUPPORT OF NEGOTIATIONS WITH THE U.S. NAVY AND THE MASTER
6 DEVELOPER.

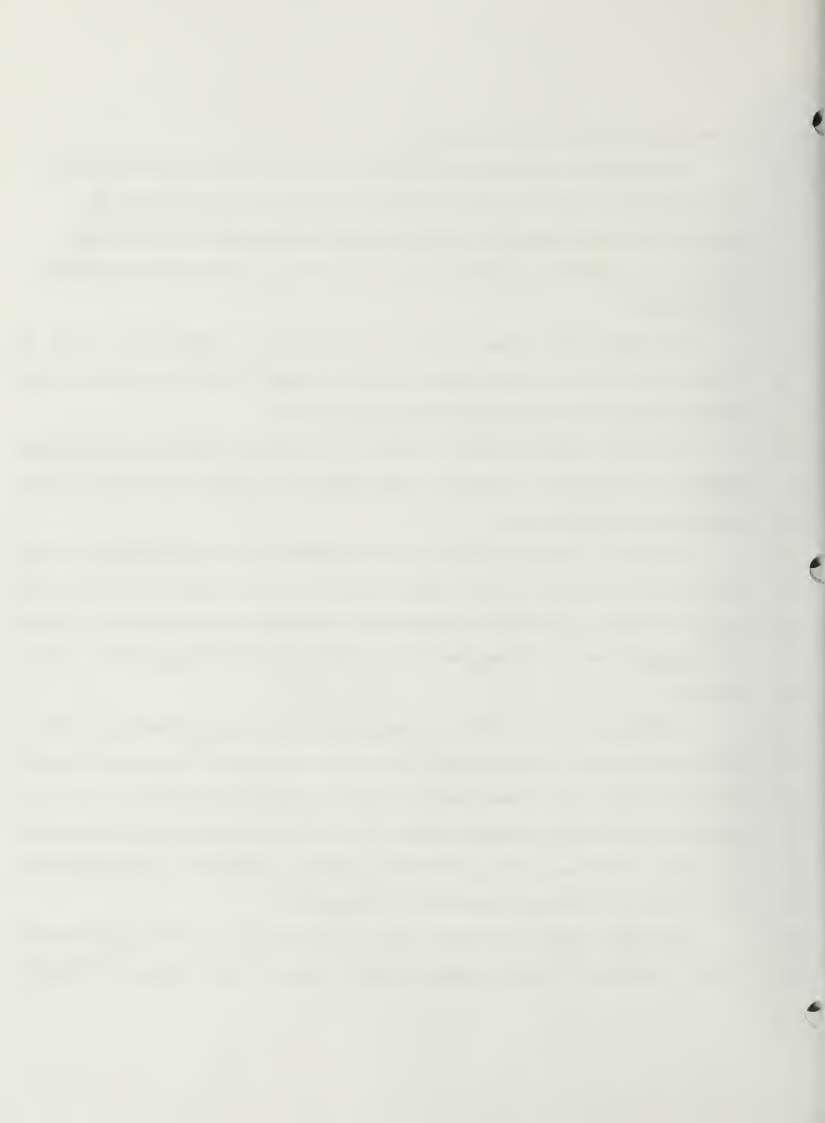
7 WHEREAS, former Naval Station Treasure Island is a military base located on
8 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
9 the United States of America ("the Federal Government"); and,

10 WHEREAS, Treasure Island was selected for closure and disposition by the Base
11 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
12 subsequent amendments; and,

13 WHEREAS, In 1995 the General Services Administration and the Bureau of Land
14 Management determined that Yerba Buena Island was surplus to the federal Government's
15 needs and could be transferred to the administrative jurisdiction of the Department of Defense
16 under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure
17 Island; and

18 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
19 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
20 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
21 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
22 conversion of the Base for the public interest, convenience, welfare and common benefit of
23 the inhabitants of the City and County of San Francisco; and,

24 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
25 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter



1 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority
2 as a redevelopment agency under California redevelopment law with authority over the Base
3 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
4 Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer
5 the public trust for commerce, navigation and fisheries as to such property; and

6 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
7 redevelopment agency for Treasure Island in 1997; and,

8 WHEREAS, the Authority issued a Request for Proposals ("RFP") for Consultant
9 services to assist the Authority in preparation of an Economic Development Conveyance
10 (EDC) Application and the creation and adoption of a Redevelopment Plan for former Naval
11 Station Treasure Island on July 15, 1998 ; and,

12 WHEREAS, Economic and Planning Systems (EPS) responded to the RFP as a
13 member of the Sedway Group team to provide economic consulting services; and

14 WHEREAS, the Authority authorized the Executive Director to execute a contract with
15 the Sedway team based on the fact that the Sedway team was the highest ranked respondent
16 to the RFP; and

17 WHEREAS, The EDC application has been completed, as specified under the terms of
18 the contract; and

19 WHEREAS, In response to a Navy request, EPS assisted the Authority in 2003 by
20 updating the original EDC Application;

21 WHEREAS, staff of the Authority, working through and with the Mayor's Office of Base
22 Reuse and Development, believe that utilizing EPS for the necessary economic consulting
23 services is the option that is the most fiscally prudent, efficient and beneficial for the overall
24 redevelopment project; and

25



1 WHEREAS, The Authority wishes to enter into a new contract with EPS to provide
2 economic consulting services expected to complete the process of negotiating a transfer of
3 property with the Navy and completion of the Disposition and Development Agreement with
4 the master developer; and

5 WHEREAS, the Authority has negotiated a revised scope of work (attached as Exhibit
6 A) with EPS which would complete the process of negotiating a transfer of the property from
7 the Navy and a Disposition and Development Agreement with a master developer and the
8 scope of work would be completed at a cost not to exceed One Hundred Fifty Thousand
9 Dollars (\$150,000); now therefore be it

10 RESOLVED, That the Authority hereby authorizes the Executive Director to execute a
11 contract with EPS to assist the Authority with economic consulting services in support of
12 negotiations with the Navy and the master developer.

13
14 **CERTIFICATE OF SECRETARY**

15 *I hereby certify that I am the duly elected and acting Secretary of the Treasure Island*
16 *Development Authority, a California nonprofit public benefit corporation, and that the above*
17 *Resolution was duly adopted and approved by the Board of Directors of the Authority at a*
18 *properly noticed meeting on August 11, 2004.*

19
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21 Susan Po-Rufino, Secretary
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TASK 1: DDA NEGOTIATIONS

EPS will provide fiscal and financial services to TIDA to support TIDA's negotiations with TICD. Following is a description of the tasks that EPS will provide as a part of the workspace. It is anticipated that the work will require an intensive analytical effort to assure that the negotiations result in an agreement which is financially sound, achieves the goals of the Reuse Plan, and protects TIDA and the City/County of San Francisco against adverse financial risk. EPS will draw upon its past experience working on the NSTI Reuse Plan, and preparing the NSTI EDC Business Plan, as well as past and present experience with the financial evaluation of other Bay Area military base negotiations.

TASK 1.1: REVIEW OF TICD PRO FORMA AND RELATED MATERIALS

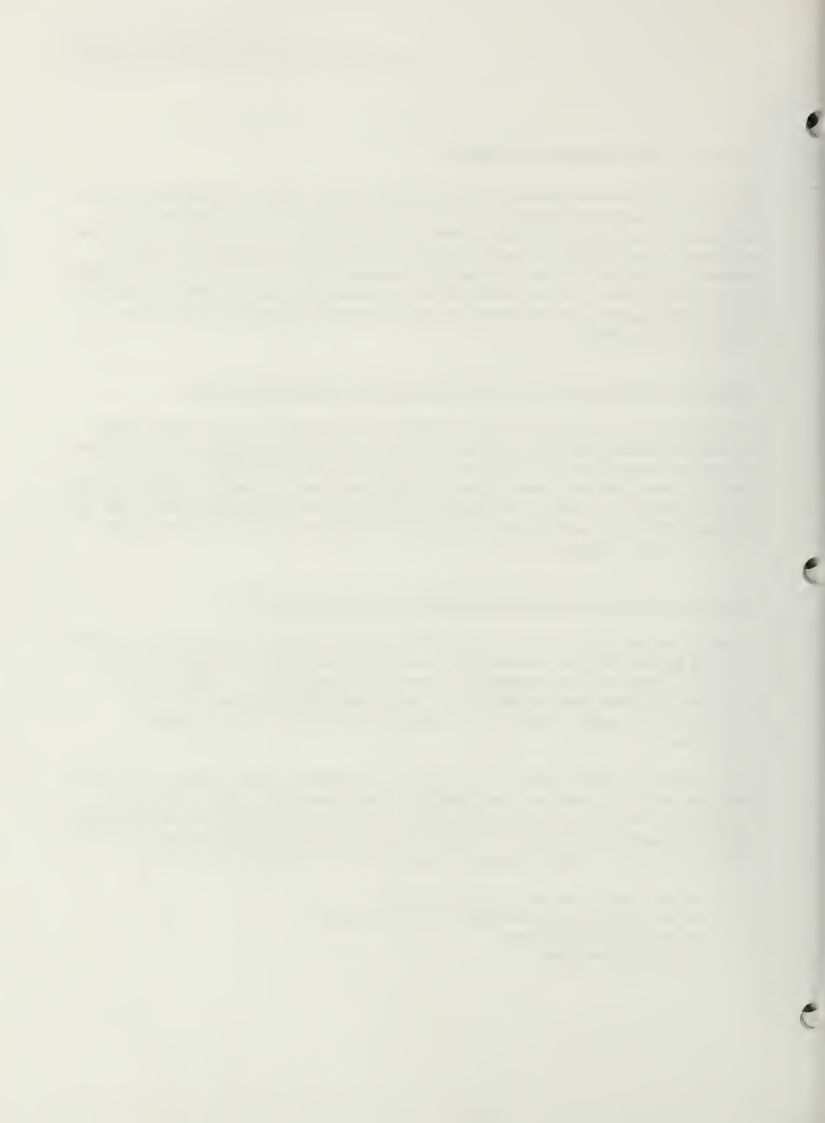
EPS will review and conduct a preliminary audit of the development pro forma, and ongoing revisions, submitted by TICD. The purpose of the review will be to understand and question the assumptions, methodologies and programs proposed by TICD that are embedded in the pro forma and which affect the financial aspects of NSTI development. This review will help identify issues requiring further research, discussion and negotiation in order to arrive at DDA terms. EPS will meet with TICD to seek consensus on technical assumptions, where possible, to provide a basis for a common financial model.

TASK 1.2: FINANCIAL MODEL DEVELOPMENT AND ANALYSIS

EPS will revise the EDC pro forma and/or the TICD pro forma to reflect current project description proposals, market conditions, and other factors that have changed since the initial EDC. The model will continually be refined during the course of the negotiations as further analysis is conducted, new information becomes available, and financial terms are developed. It is anticipated that a single pro forma will be utilized by EPS and TICD as the basis for the negotiations.

EPS will review material provided by TICD, and will collaborate with TIDA staff and other TIDA consultants and City/County staff to evaluate the reasonableness of key technical, policy and programmatic assumptions. As directed by TIDA staff, EPS will conduct additional independent research and analysis to clarify specific issues. Examples of areas that will be incorporated into the financial model, and may require substantial review, research and analysis including:

- Market Assumptions and Land Use Program
- Review of Infrastructure and Other Development Costs
- Affordable Housing Program
- Financing Assumptions



During the course of negotiations, EPS staff will be available to run alternative scenarios and test the financial implications of alternative assumptions and/or financial terms. The results will be summarized, as appropriate, in memoranda and summary tables, with additional detailed calculations available for review.

TASK 1.3: FINANCE PLAN

EPS will work with TIDA's Financial Advisor to test alternative financial mechanisms to assure that the funding sources, cumulatively, are adequate given the cost and phasing of improvements and availability of required security. It will also be important to assure that the financing plan provides for unforeseen contingencies, while at the same time not imposing a burden that adversely affects market feasibility. Related considerations will include insulating the City/County and TIDA against financial risk.

EPS will assist TIDA staff in preparing a Finance Plan. The Plan will serve as a public information and review document, and as a framework for subsequent implementation. The Finance Plan will evolve and be further refined over time as the development program and other terms become better defined and more certain.

TASK 1.4: FISCAL IMPACTS AND MITIGATIONS

The financial model will include estimates of fiscal impacts in terms of revenues and expenditures to the City associated with NSTI. **Task 3** describes the fiscal analysis in greater detail. This task involves plugging the relevant information from the fiscal analysis into the overall development project pro forma. The financial model will provide the ability to estimate fiscal impacts under alternative program and finance terms, and test potential fiscal mitigation measures.

TASK 1.5: DOCUMENT PREPARATION

As mentioned previously, it is anticipated that material, including a Finance Plan, will be produced for the purpose of the public review process. EPS will prepare documentation as necessary, in the form of memoranda, technical reports, and summary materials, to support the tasks described above and at the direction of TIDA staff, and will assist TIDA staff in the development and review of term sheet and DDA materials and related documents.

TASK 1.6: MEETINGS AND PRESENTATIONS

EPS will be available for meetings and presentations as necessary. The scope assumes that an ongoing series of meetings will require EPS attendance during the process, including meetings with TICD representatives and TIDA staff. EPS staff will participate in presentations to the TI/YBI Citizen's Advisory Board, the TIDA Board and to the Board of Supervisors, as directed by TIDA staff.



TASK 2: EDC APPLICATION

Under separate contract with TIDA in the late 1990s, EPS helped develop the NSTI Economic Development Conveyance (EDC) Application required to facilitate the transfer of NSTI, including a detailed Business Plan for redevelopment of the site. Due to changes in conditions for redevelopment (i.e., infrastructure requirements, market conditions, etc.), the EDC Business Plan and Application may need to be updated before transfer can occur. The potential amendment to the EDC Application is the subject of ongoing discussions between the City and Navy. EPS proposes the following Scope of Work to assist TIDA with Navy negotiations and preparation of related EDC application documents.

TASK 2.1: EDC MODEL DEVELOPMENT

EPS will revise the financial model, developed in **Task 1**, to serve as the basis for negotiations with the Navy. The model will reflect the current development program, based on ongoing discussions with TIDC and analysis prepared as a part of **Task 1** and **Task 3**. The financial model will serve as a basis for preparing summary materials for the Navy and for testing the sensitivity of project economics to changes to key assumptions and financial terms, and to responding to queries during the course of negotiations. The model will be formatted in a manner similar to the format utilized in other, ongoing transfer negotiations in order to facilitate the discussions with the Navy.

TASK 2.2: DOCUMENT PREPARATION

EPS will produce working drafts of the EDC financial model, for the purpose of discussions with the Navy, as well as summary material as necessary. As part of EDC revisions, EPS will prepare additional material to describe the assumptions, methodology and results.

TASK 2.3: MEETINGS AND PRESENTATIONS

EPS will be available for meetings and presentations as necessary. The scope assumes an ongoing series of meetings with TIDA staff to discuss methodology and financial issues, as well as an ongoing series of meetings with Navy staff and representatives to discuss methodology and results. EPS staff will participate in presentations to the TI/YBI Citizen's Advisory Board, the TIDA Board and to the Board of Supervisors, as directed by TIDA staff, and will assist in the preparation of presentation material.

TASK 3: FISCAL ANALYSIS

The fiscal analysis will evaluate the potential magnitude, extent and uncertainty of fiscal impacts on public agencies, primarily the City and County of San Francisco. Fiscal impacts are those impacts that occur when the City's expenditures related to Treasure Island exceed the public revenues that are generated. The fiscal analysis will focus on operating costs and revenues



normally funded by the City's discretionary revenues; other key programs, for example road maintenance (which are funded in large part through dedicated revenues) will also be addressed. Costs associated with capital improvements will be evaluated in the financial analysis prepared in **Task 1**.

The objective of the analysis is to design and incorporate mechanisms into the Finance Plan for Treasure Island to help mitigate potential impacts on the City's budget, and at the same time assure that the financial requirements and goals of the Reuse Plan can be achieved. The results of the analysis will be integrated into the financial model for development of NSTI to test the impacts of alternative program assumptions and financing terms (e.g., testing the trade-offs between the use of property tax increment for NSTI capital projects vs. the use of property tax to mitigate potential City service costs).

The fiscal analysis will be based upon an update of the fiscal analysis prepared for the EDC, with revisions to reflect the current project description, development terms, and fiscal conditions affecting the City. The following tasks describe the approach and methodology in greater detail.

TASK 3.1: TASK INITIATION

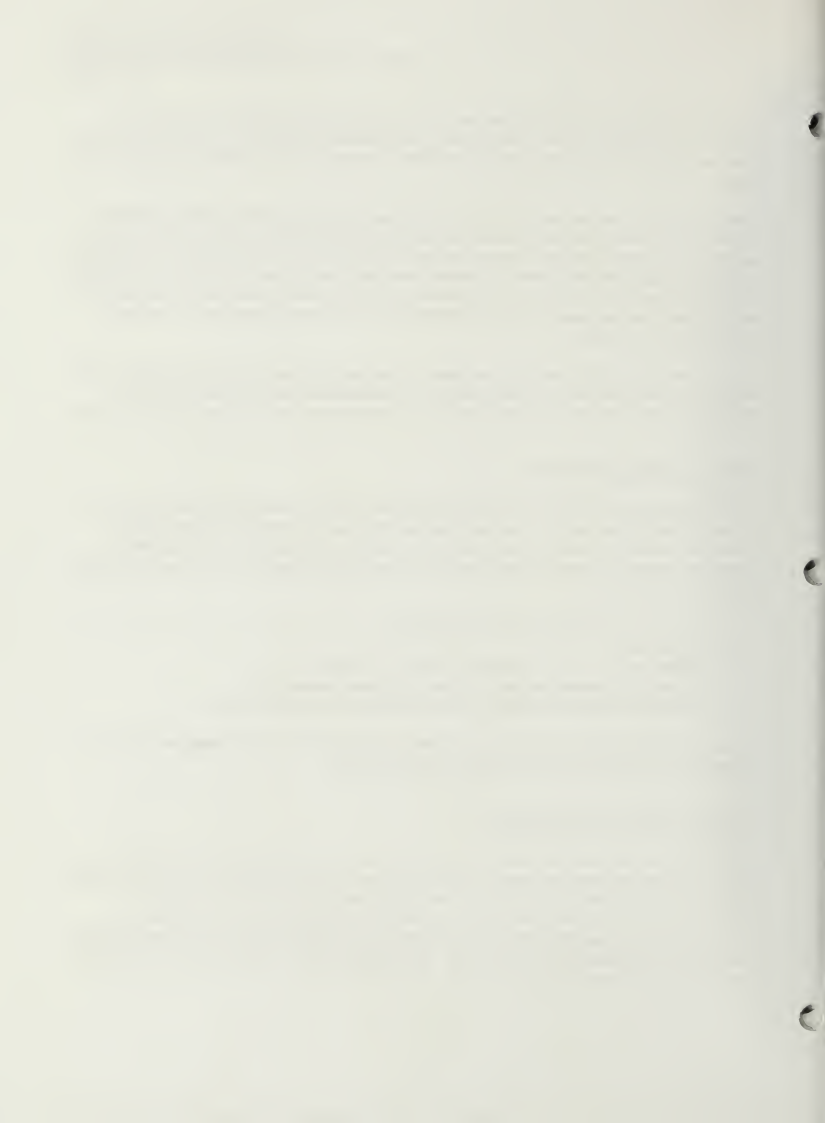
EPS will meet with the TIDA staff and representatives of TICA to refine and quantify aspects of the project description specific to the fiscal analysis. Relevant documents, including budget documents and service plans, will be obtained. Key departmental contacts will be identified. In addition to the land uses required by the financial analysis in **Task 1**, the fiscal analysis requires additional detail such as:

- Population and demographic characteristics
- Employment
- Miles of public roadways and associated improvements
- Planned park acreage, recreation improvements and landscaping
- Other public improvements that will place demands on public services

The division of service and funding responsibility will be identified, for example, services to be assumed by a Homeowners' Association vs. a public agency.

TASK 3.2: REVENUE ESTIMATES

EPS will estimate the magnitude and timing of City revenues generated by development of the Project, including property tax pass-throughs (net of tax increment retained by the redevelopment area); sales tax generated by the Project's commercial component as well as by resident expenditures in the City; state subventions and other City taxes and fees. To the extent that uncertainty remains regarding State budget issues and their implications for fiscal impacts, it may be necessary to test alternative assumptions. The analysis will also estimate one-time impact fees based on existing City schedules.



TASK 3.3: COST ESTIMATES

Costs for on-going operation and maintenance services will be estimated based on service needs generated by the Project's residents, commercial and recreation uses, and by public improvements. EPS will examine current TIDA and City financial and budget documents and interview City staff to review and update cost assumptions in the fiscal impact model. Our analysis will focus on services currently funded from the TIDA budget and the City's General Fund and will include police protection, fire service, public works activities, and parks and recreation maintenance. The analysis will estimate expenditures for road maintenance (funded partially by gas taxes). The analysis will generally focus on incremental impacts caused by the Project, however, will also identify any impacts that may be significant when considered cumulatively with other development, or when considered in light of potential future programs and cost increases.

Programs specific to NSTI, including transit, will be identified. Prior analyses, for example related to the costs of ferry service, will be reviewed and potential funding sources (and their relative certainty) will be documented.

TASK 3.4: MITIGATION MEASURES

In the event that the analysis indicates an overall budget deficit for the Project, EPS will identify measures to mitigate this impact. These measures may include some combination of assessments or special taxes paid by development on NSTI, modifications to capital improvements or service plans, or changes in phasing. The mitigations will be tested for the effects on the overall financial feasibility of the Reuse Plan implementation; for example, excessive special tax burdens on homeowners may, in turn, adversely affect the marketability and value of residential units and therefore reduce public tax revenues and development feasibility.

TASK 3.5: DOCUMENT PREPARATION

EPS will document its findings in a technical report. The report will include a summary and discussion of fiscal impacts by major category and will project costs and revenues annually. A printout of the analysis will be included in an appendix. An administrative draft will be prepared for review, followed by a final report incorporating appropriate revisions. EPS will prepare additional summary material as necessary for inclusion in staff reports.

TASK 3.6: MEETINGS AND PRESENTATIONS

EPS will be available for meetings and presentations as necessary. The scope assumes an initial meeting in Task 3.1, and at least three meetings with staff of key City departments to discuss methodology and fiscal issues, and to gather budget information. EPS staff will participate in presentations to the TI/YBI Citizen's Advisory Board, the TIDA Board and to the Board of Supervisors, as directed by TIDA staff.

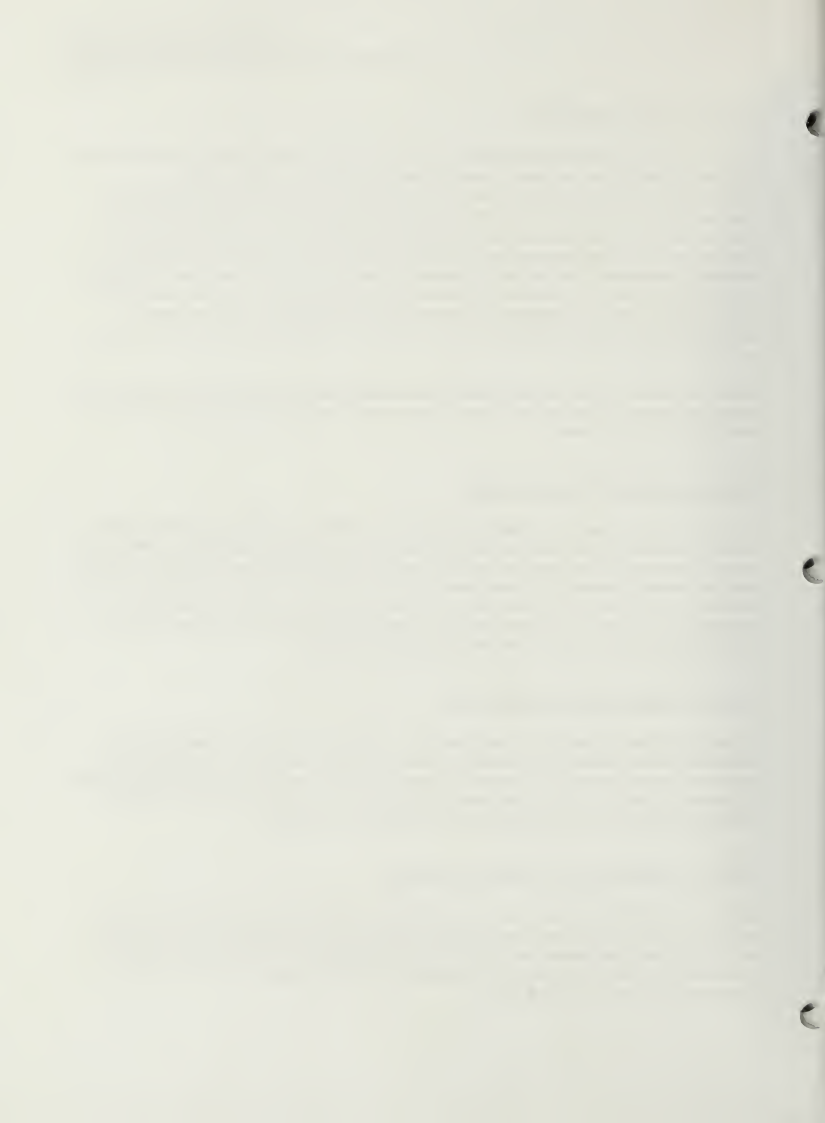


Table 1
Budget for Services to Treasure Island Development Authority
EPS #12100

Task/ Description	EPS Staff					Staff Cost Subtotal	Direct Costs	Total Budget
	Musbach	Berkson	Ott	Research Analyst	Production Staff			
Task 1: DDA Negotiations	120	180	180	140	12	\$99,520	\$480	\$100,000
Task 2: EDC Application	40	40	40	22	8	\$24,840	\$160	\$25,000
Task 3: Fiscal Analysis	<u>6</u>	<u>40</u>	<u>40</u>	<u>120</u>	<u>10</u>	\$24,810	\$190	\$25,000
TOTAL	166	260	260	282	30			
Billing Rates	\$235	\$200	\$130	\$80	\$60			
TOTAL PROJECT COSTS						\$149,170	\$830	\$150,000

Notes: Actual staff allocations will depend upon specific direction from TIDA, and the extent of analysis, meetings, and presentations required as negotiations proceed.
 Expenses billed at cost, including shipping, copying, mileage and expenses for travel to meetings, and data acquisition.

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Update on Ferry Terminal Location
Alternatives Analysis (Discussion Item)

Agenda Item No. 14
Meeting of August 11, 2004

Contact/Phone: Michael Cohen, Director
Jack Sylvan, Treasure Island Project Manager
Office of Base Reuse and Development

BACKGROUND

On April 9, 2003 the Authority authorized the execution of an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development (TICD) for the redevelopment of former Naval Station Treasure Island. The ENA Schedule of Performance outlined a schedule regarding the negotiation and preparation of documents necessary to implement the redevelopment. Based on review of the TICD development proposal by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (TI/YBI CAB) and Authority staff, this Schedule of Performance identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan and agreement. An engineering evaluation of the location of the proposed ferry terminal on Treasure Island was one of the key studies outlined in the ENA.

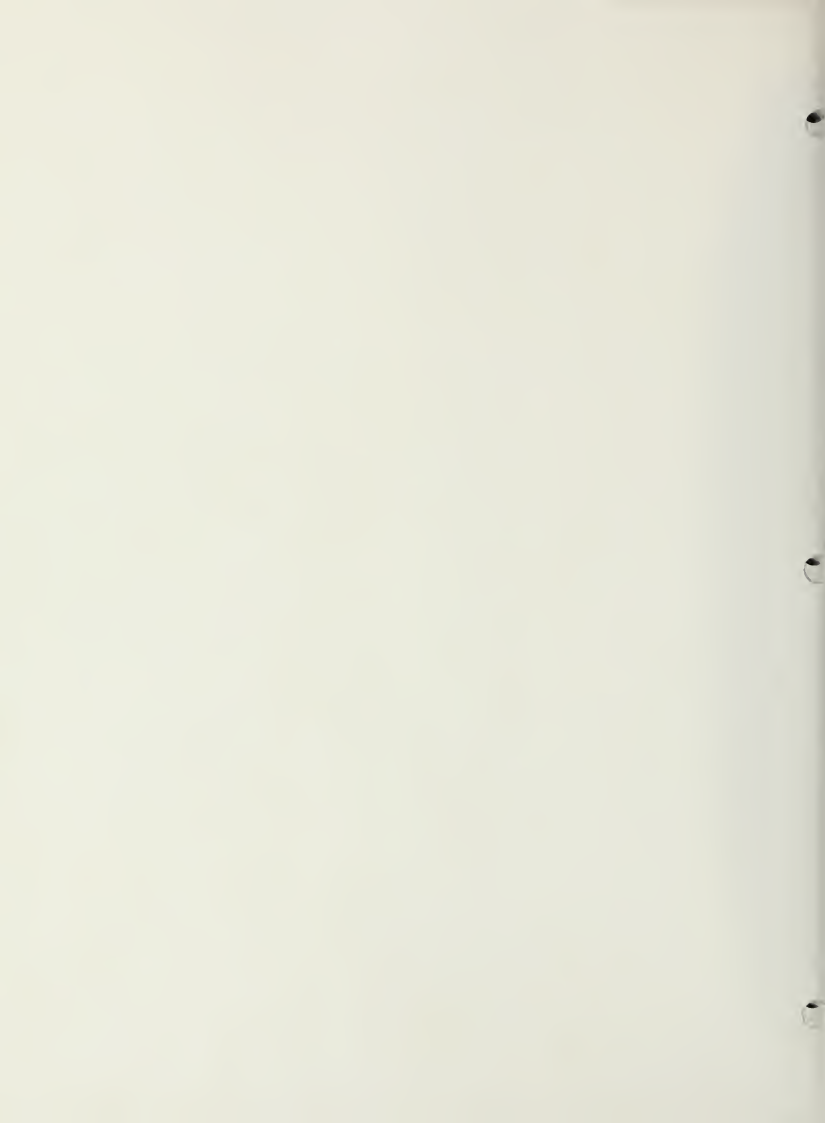
TICD contracted with Concept Marine Associates, Inc. (CMA) to conduct the evaluation and Authority staff reviewed and approved the scope of work for the study. The findings of the evaluation were presented by CMA at the December 11, 2003 TI/YBI CAB meeting and the TI/YBI CAB discussed the evaluation at its January 15, 2004 meeting. The evaluation was then presented to the TIDA Board at its February 2004 meeting.

The TI/YBI CAB and the TIDA Board provided feedback on the study and asked several important questions and requested further analysis be conducted. Included among the issues for which further research was requested were: the structural integrity of Pier One, estimated pier and breakwater capital costs, operating expenses for alternative locations and destinations, passenger travel time, number of ferry vessels needed, and the regulatory approval process to develop a new ferry terminal, among others. The attached "Supplement to the Treasure Island Ferry Terminal Location Study" summarizes the results of the findings related to these issues.

EXHIBITS

A Supplement to the Treasure Island Ferry Terminal Location Study





Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda No: 15

Meeting Date: 08/11/04

Subject: Resolution providing that the Executive Director of the Treasure Island Development Authority is eligible to participate in the Health Service System of the City and County of San Francisco, and providing for employer contributions for health benefits. (Action Item)

Staff Contact: Donnell Choy, Deputy City Attorney
(415) 554-4736

Summary of Proposed Action

This item seeks to provide that the Executive Director of the Treasure Island Development Authority is eligible to participate in the Health Service System of the City and County of San Francisco and to provide for employer contributions for health benefits under such system.

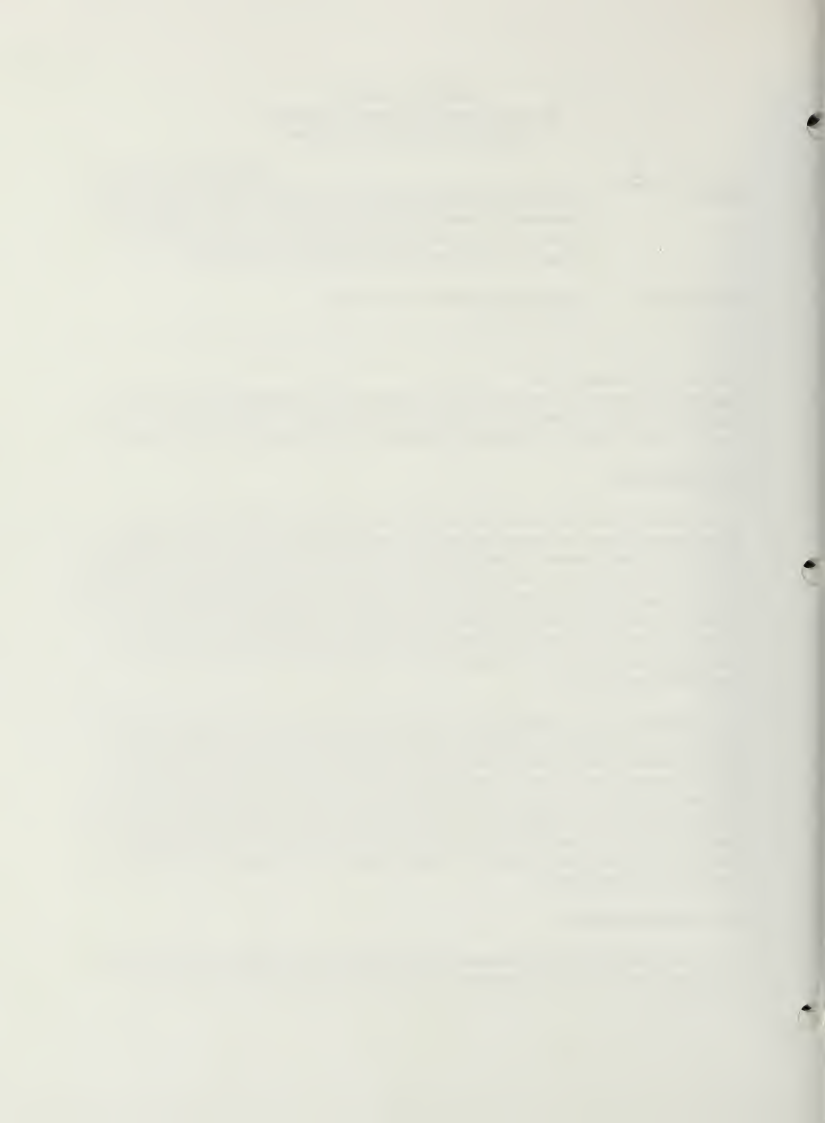
BACKGROUND

At the August 4, 2004, Special Meeting of the Board of Directors of the Treasure Island Development Authority, the Board approved and authorized the execution of an employment agreement with the Authority's Executive Director, Tony Hall. Paragraph 5 of that agreement requires the Authority to provide Hall with health benefits through the Health Service System of the City and County of San Francisco at no cost to Hall. The agreement further requires the Authority to enact any resolution required by San Francisco Administrative Code Section 16.700 to make Hall eligible to participate in the Health Service System, and any resolution required by Administrative Code Section 16.701 to establish the employer contributions required by that agreement.

Under Section 16.700 of the San Francisco Administrative Code, the TIDA Board of Directors may provide for officers and employees of TIDA to participate in San Francisco's Health Service System. Under Section 16.701 of the San Francisco Administrative Code, the TIDA Board determines the employer's contribution for health benefits for TIDA employees and officers made eligible to participate in the Health Service System. This resolution would make Executive Director Hall eligible for health benefits under the City's Health Service System and provide that TIDA will pay employer contributions equal to the health benefit premiums charged by the Health Service System for health benefits for Hall and any enrolled dependents, in the plan of Hall's choosing.

RECOMMENDATION

In order to comply with the requirements of the employment agreement between the Treasure Island Development Authority and Tony Hall, it is recommended that you approve the resolution ...



RESOLUTION NO.

[Providing for health benefits for the Executive Director of the Treasure Island Development Authority.]

Resolution providing that the Executive Director of the Treasure Island Development Authority is eligible to participate in the Health Service System of the City and County of San Francisco, and providing for employer contributions for health benefits.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires, and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or



1 encumbrance of budgetary funds appropriated to TIDA. (Section 33126 of the California
2 Health and Safety Code.); and,

3 WHEREAS, San Francisco's Health Service System provides health benefits to
4 employees who are eligible to participate in the System, and their dependents; and,

5 WHEREAS, Under Section 16.700 of the San Francisco Administrative Code, the TIDA
6 Board of Directors may provide for officers and employees of TIDA to participate in San
7 Francisco's Health Service System; and,

8 WHEREAS, Under Section 16.701 of the San Francisco Administrative Code, the
9 TIDA Board determines the employer's contribution for health benefits for TIDA employees
10 and officers made eligible to participate in the Health Service System; and,

11 WHEREAS, The TIDA Board of Directors recently authorized entering into an
12 Employment Agreement with Tony Hall to serve as the new Executive Director of TIDA;

13 WHEREAS, The Employment Agreement states that TIDA shall provide Hall with
14 health benefits through the Health Service System of the City and County of San Francisco at
15 no cost to Hall; and

16 WHEREAS, The TIDA Board of Directors wishes to provide health benefits to Hall
17 through the Health Service System and to provide for employer contributions; now, therefore,
18 be it

19 RESOLVED, That the Board of Directors of TIDA hereby determines that Executive
20 Director Tony Hall is eligible to participate in the Health Service System of the City and
21 County of San Francisco; and be it further

22 RESOLVED, That Hall shall receive and TIDA shall pay employer contributions equal
23 to the health benefit premiums charged by the Health Service System for health benefits for
24 Hall and any enrolled dependents, in the plan of Hall's choosing.

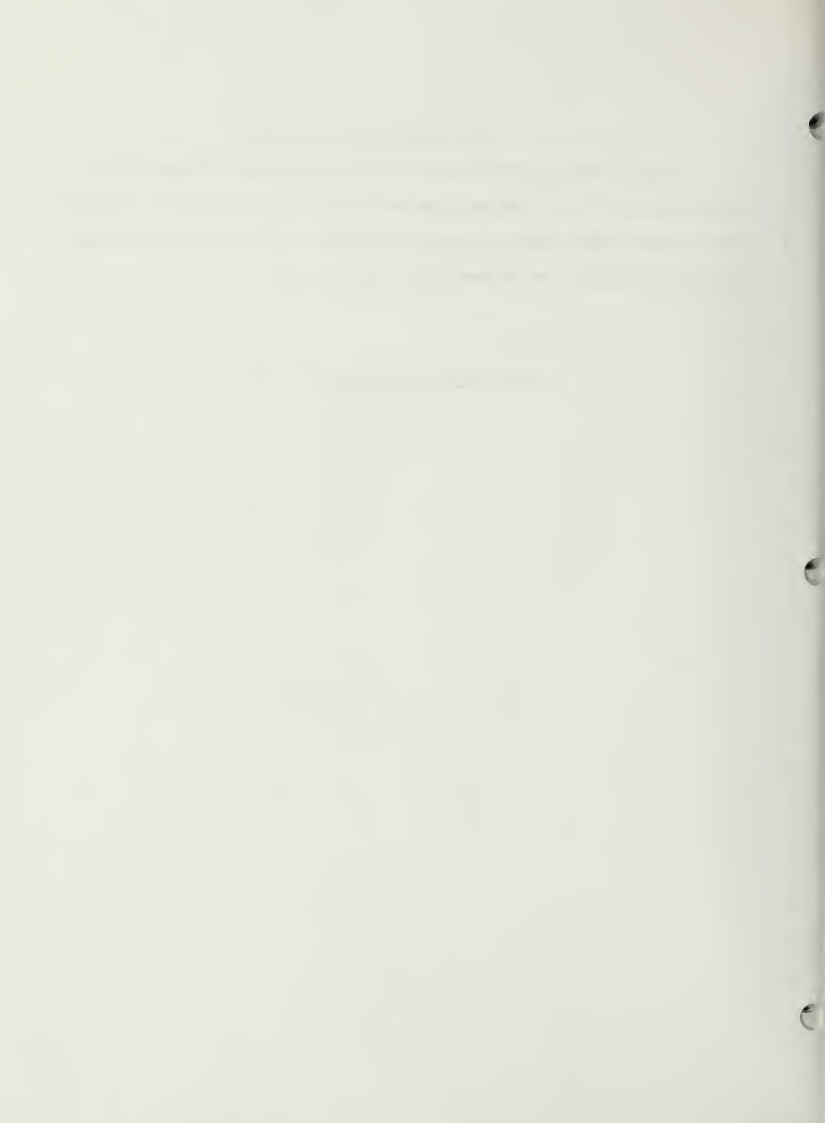
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1 CERTIFICATE OF SECRETARY

2 I hereby certify that I am the duly elected Secretary of the Treasure Island
3 Development Authority, a California nonprofit public benefit corporation, and that the
4 above Resolution was duly adopted and approved by the Board of Directors of the
5 Authority at a properly noticed meeting on August 11, 2004.
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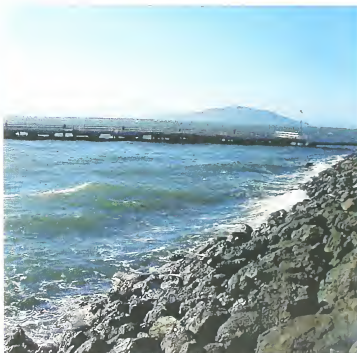
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Susan Po-Rufino, Secretary
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Notes

Supplement to Treasure Island Ferry Terminal Location Study

July 2004



Prepared by:



Concept Marine Associates, Inc.

INTRODUCTION

Concept Marine Associates, Inc., (CMA) was retained in July 2003 to provide an analysis of two potential ferry terminal locations at former Naval Station Treasure Island (TI). The two locations analyzed were the existing Pier One site, at the eastern edge of TI, and a site along the west shore, in an as yet undefined location. CMA completed the initial analysis of those sites in November 2003, and presented its Treasure Island Ferry Terminal Location Study (Ferry Study) to the Treasure Island Development Authority (TIDA) and the Treasure Island Citizens Advisory Board (TICAB) in early 2004. During the public hearings that followed, several questions were raised, some which required further review and analysis. This supplemental report (Supplemental Report) responds to those issues. The background information that CMA reviewed as part of preparing the Ferry Study and the Supplemental Report is submitted in the Technical Appendices (TA).

The questions and comments from TIDA Board Members, TICAB members and the public that were identified during the public hearings held to review the Ferry Study are as follows:

1. Provide more detail regarding the structural integrity of Pier One for future use by the ferry system.
2. Provide more detail regarding construction cost estimates for piers, breakwaters, and associated ferry terminal improvements required at both the Pier One site and a site along the west shore.
3. Provide more detail regarding passenger travel times from the various routes to and from TI.
4. Provide more detail regarding the number of ferries that would be needed to provide adequate service to TI during peak periods.
5. Provide further analysis of the impact that the sand bar at Clipper Cove may have on ferry service at Pier One.
6. Provide further analysis of the impacts from vessel wake on ferry related improvements at TI.
7. Provide further analysis of the risk of impacts between ferries and recreational boat and water users at TI.
8. Provide more detail regarding operating costs associated with ferry service from the proposed terminal sites on TI.
9. Respond to issues related to potential ridership advantages of a ferry terminal along the west shore.
10. Provide more detail concerning the potential regulatory approval process required for construction of new ferry terminals.

CMA's discussion of these issues is presented on the following pages.

DISCUSSION

1. STRUCTURAL EVALUATION OF PIER ONE

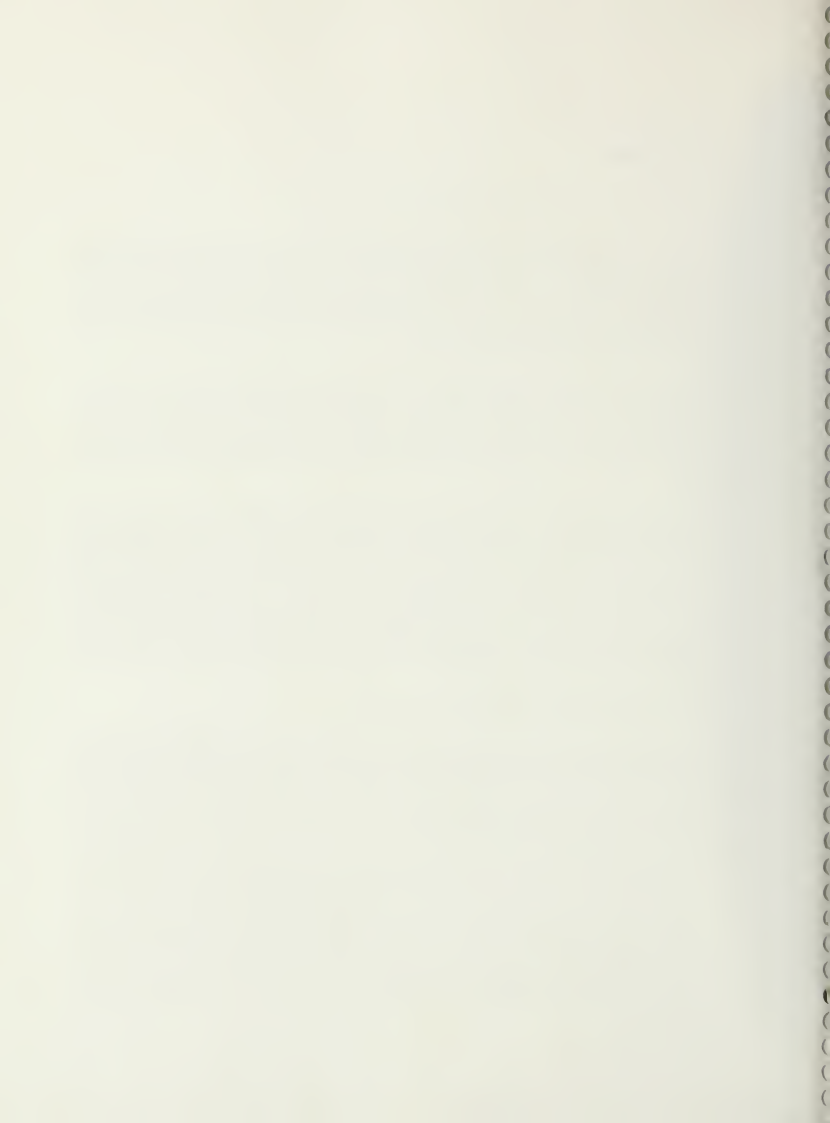
Pier One has a structural concrete deck supported by concrete vertical and concrete batter piles. It was constructed by the United States Navy to homeport and provide support to the Battleship Missouri, a vessel substantially larger and heavier than the ferry vessels proposed to utilize the pier. Pier One is currently being used to store and launch America's Cup Sailing vessels. These vessels weigh approximately 25 tons each and are launched from Pier One using a 140 ton truck crane.

Prior to permitting the current America's Cup utilization of Pier One, the San Francisco, Department of Public Works, Bureau of Engineering, Structural Section, performed calculations to confirm that the structure was adequate to support the given loads from the proposed America's Cup use. The City's evaluation, which considered vertical loadings, found that Pier One was capable of withstanding the proposed loadings (see TA, Appendix K).

The loadings imposed on Pier One by the crane during the lifting of the America's Cup vessels would greatly exceed the proposed loadings from pedestrian access and potential single story construction (100 psf) on the pier itself. Accordingly, CMA believes that Pier One would be adequate to support both ferry uses and as yet unspecified ferry terminal development. Our findings were reviewed by A.J. Miller and Associates, an expert in structural pier engineering, who confirmed that Pier One is capable of withstanding the proposed loads for ferry use and terminal facilities. In addition, the pier was also found to be capable of withstanding the lateral loads that current seismic design criteria would impose on the structure (see TA, Appendix J).

2. PIER / BREAKWATER CONSTRUCTION COSTS

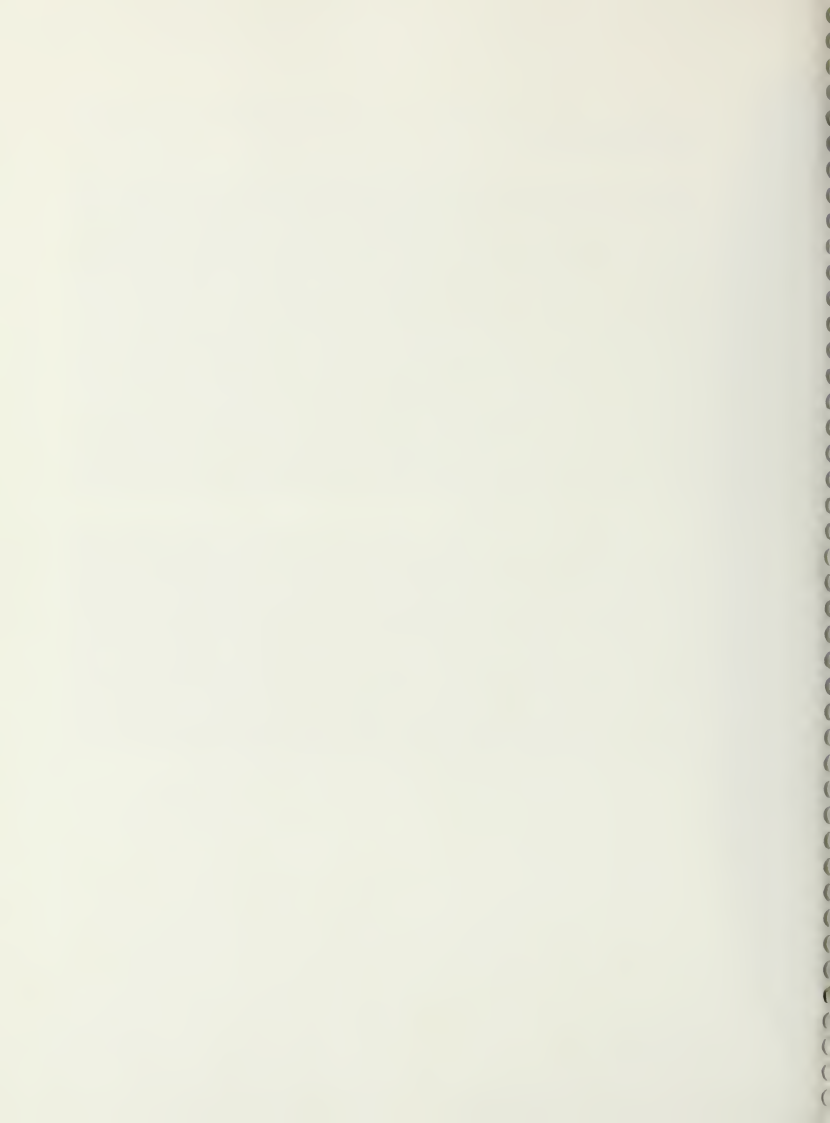
Since submitting the Ferry Report, CMA has conducted further analysis related to the costs associated with constructing waterside improvements necessary for the development of the Pier One and the west shore sites. As discussed in the Ferry Report and depicted by the Wave Roses in Figure 1, Pier One has relatively infrequent wind exposure from the predominant wave generating directions for the site (south and south east). Given the wind and wave climatology at Pier One, it is CMA's conclusion that a concrete floating breakwater would provide adequate and reliable protection for a ferry terminal. This conclusion is supported by the presence of floating breakwaters in Sausalito that are exposed to the same wind exposure as the Pier One site and larger wave generating fetch lengths. Even with the greater wave height that can be incident at Sausalito facilities, such as the Clipper Yacht Harbor, properly designed, floating breakwaters continue to be a reliable and cost effective means of protection for that harbor. In addition to the floating breakwater, the development of a ferry terminal at Pier One would also require the construction of a ferry berth, transfer span and passenger waiting area. See Figure 1 for a layout of the proposed waterside



development along T1, and Table 1 for the costs associated with these proposed improvements at Pier One.

A ferry terminal located along the west shore of T1 would be exposed to much greater wind generated waves than the Pier One site. As shown by the Wind Roses in Figure 1, the western side of the island is exposed to significant wave generating fetch lengths and the predominant, westerly winds. Due to this extreme exposure, it is CMA's conclusion that three fixed breakwaters would be needed to protect a ferry terminal along the western shoreline of T1. Preliminary planning-level designs for the general waterside layout of the proposed ferry terminal are presented in Figure 1. This conclusion is supported by similar locations within San Francisco Bay, like the structures protecting the entrance to the Berkeley Marina. Fixed, rubble mound breakwaters currently protect that facility from its westerly exposure. Due to the geotechnical and spatial constraints associated with the west shore of T1, a rubble mound breakwater is not practical or cost effective. Therefore, a pile supported, fixed breakwater is recommended to protect a ferry terminal located along the western shoreline. Ferry terminal development along this shoreline would also require construction of a pier, a ferry berth, a transfer span, and a passenger waiting area, in addition to the two fixed, shore perpendicular breakwaters and one fixed, detached breakwater discussed above. The pier is needed to provide public access into deep enough water for ferry berth operation. The costs for the waterside improvements proposed for the west shore are provided in Table 2.

The cost estimates shown in Tables 1 and 2 also give greater detail than what was published in the Ferry Study. The increases arise due to additional information obtained regarding geotechnical issues at T1, further analysis of waterside improvements and the addition of landside improvements (passenger waiting areas). The additional geotechnical review revealed the presence of rock dikes surrounding the island under the floor of the Bay. These dikes are up to 40 feet thick, and have underlying, interspersed, and liquefiable layers of sand fill, shoal materials and new bay mud (see TA, Appendix L). The existence of the rock dikes makes placing the piles more costly, while the underlying, liquefiable layers will result in an increase in the number and length of the piles needed to construct the necessary improvements at both locations. This increase was magnified at the west shore site due to the substantially larger number of piles needed to provide an access pier into deep water, and to provide breakwaters to protect the ferry terminal.



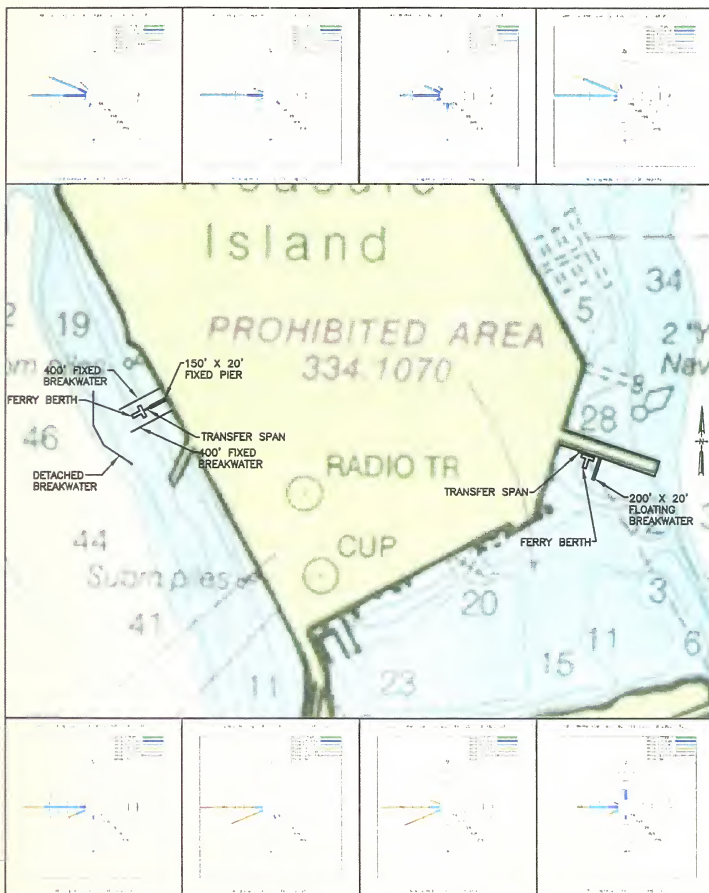


Figure 1: Ferry Terminal Plans

Table 1: Pier One Terminal and Breakwater Cost

No.	Description	Unit	Low Quantity	High Quantity	Low Unit Price	High Unit Price	Cost Range
1	Mobilization	LS	1	1	\$300,000	\$400,000	\$300,000 - \$400,000
BREAKWATER:							
2	Furnish and Install Floating Breakwater	SF	3,000	4,000	\$120	\$150	\$360,000 - \$600,000
3	Furnish Concrete Piles (24" Octagonal, 100' Long)	LF	1,100	2,100	\$40	\$50	\$44,000 - \$105,000
4	Install Concrete Piles	EA	11	21	\$2,500	\$3,000	\$27,500 - \$63,000
FERRY BERTH:							
5	Docking System ¹	EA	1	1	\$2,800,000	\$4,580,000	\$2,800,000 - \$4,580,000
6	Transfer Span ²	EA	1	1	\$135,000	\$250,000	\$135,000 - \$250,000
7	Passenger Waiting Area ²	SF	1,560	3,656	\$200	\$300	\$312,000 - \$1,096,800
	Design and Engineering (20%)						\$795,700 - \$1,418,960
	Construction Contingency (20%)						\$795,700 - \$1,418,960
Total Pier 1:							\$5,569,900 - \$9,932,720

Notes:

1. See Appendix E of the Technical Appendices for a more detailed breakdown of the ferry berth costs.
2. See Appendix D of the Technical Appendix for additional information.

Table 2: West Shore Terminal and Breakwater Cost

No.	Description	Unit	Low Quantity	High Quantity	Low Unit Price	High Unit Price	Cost Range	
1	Mobilization	LS	1	1	\$430,000	\$800,000	\$430,000	- \$800,000
ACCESS PIER:								
2	Concrete Pier Deck ¹	CY	125	222	\$350	\$500	\$43,750	- \$111,111
3	Concrete Pier Reinforcing Steel Furnish Concrete Piles (24" Octagonal, 150' Long)	100 LBS	250	778	\$45	\$60	\$11,250	- \$46,667
		LF	3300	7200	\$40	\$50	\$132,000	- 360,000
	Install Concrete Piles	EA	22	48	\$2,000	\$3,000	\$44,000	\$144,000
BREAKWATER:								
4	Furnish Sheetpile	SF	48,000	64,000	\$7	\$10	\$336,000	- \$640,000
5	Install Sheetpile (including Walers)	LF	1,600	1,600	\$300	\$500	\$480,000	- \$800,000
6	Furnish Concrete Piles (24" Octagonal, 150' Long)	LF	16,500	24,450	\$40	\$50	\$660,000	- \$1,222,500
7	Install Concrete Piles	EA	110	163	\$2,000	\$3,000	\$220,000	- \$489,000
FERRY BERTH:								
8	Docking System ²	EA	1	1	\$2,800,000	\$4,580,000	\$2,800,000	- \$4,580,000
9	Transfer Span ³	EA	1	1	\$135,000	\$225,000	\$135,000	- \$225,000
10	Passenger Waiting Area ³	SF	1,560	3,656	\$200	\$300	\$312,000	- \$1,096,800
Design and Engineering (20%)							\$1,120,800	- \$2,103,016
Construction Contingency (20%)							\$1,120,800	- \$2,103,016
Total West Shore:							\$7,845,600	- \$14,721,109

Notes:

1. Cost based on a 150' long pier that varies between 15 to 20 feet wide.
2. See Appendix E of the Technical Appendices for a more detailed breakdown of the ferry berth costs.
3. See Appendix D of the Technical Appendix for additional information.

3. PASSENGER TRAVEL TIME

As part of preparing this Supplemental Report, CMA consulted with the Water Transit Authority (WTA) to discuss the issue of travel times. One of the issues discussed was the possibility of a southern route from Pier One around Yerba Buena Island as an alternative to the previously considered northern route from Pier One around Treasure Island. The WTA believes that a southern route is feasible and viable and, therefore, should be analyzed. Accordingly, CMA has now considered this southern route on passenger travel times and total round trip times (cycle times), in addition to the calculations that we previously made concerning the northern route. The southern route reduces the travel time to Pier One from

the Ferry Building in San Francisco by 4.5 minutes compared to a northern route around TI. See Figure 2 for a depiction of the potential routes.

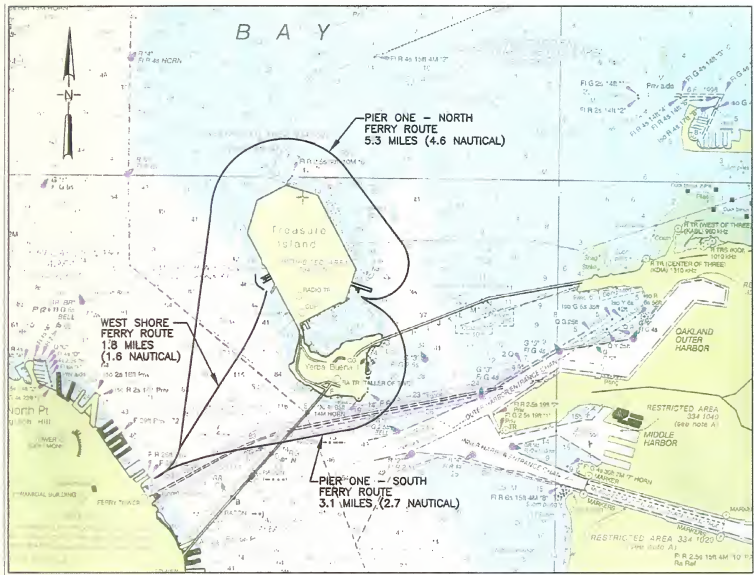


Figure 2: Ferry Routes

Figure 2 also shows the anticipated waterside development needed to provide a ferry terminal at the two sites on TI. The western site will require a larger and more extensive breakwater system to protect the ferry berth and vessels while loading from the prevailing winds and waves found along the west shore. As a result, vessels will have additional maneuvering time while navigating the breakwater system, resulting in slightly longer trip durations than previously estimated. See Tables 3, 4, and 5 for the revised west shore trip durations.



Table 3:
Ferry Route Trip Duration – Treasure Island to San Francisco (Ferry Building)

Item #	Location	Maneuver/Action	Time (seconds)		
			Pier One Site North	Pier One Site South	West Shore Site
1	Treasure Island	Passenger Loading ¹	96	96	96
2		Departure (Retract ramp, Cast Off, and Back Out)	90	90	90
3		Turning ¹	35	35	125
4		Accelerate to 25 Knots	25	25	25
5		Cruising (25 Knots)	657	389	234
6		Decelerate & Maneuvering	210	210	210
7		Berthing (Approach ² , Make Lines Fast, and Deploy Ramp)	88	88	88
8	San Francisco	Unloading Passengers ³	96	96	96
		One-Way Trip (Seconds)	1297	1029	964
		One-Way Trip (Minutes)	21.6	17.2	16.1

Table 4:
Ferry Route Trip Duration – San Francisco (Ferry Building) to Treasure Island

Item #	Location	Maneuver/Action	Time (seconds)		
			Pier One Site North	Pier One Site South	West Shore Site
1	San Francisco	Passenger Loading ¹	20	20	20
2		Departure (Retract ramp, Cast Off, and Back Out)	90	90	90
3		Turning	35	35	35
4		Accelerate to 25 Knots	25	25	25
5		Cruising (25 Knots)	657	389	234
6		Decelerate & Maneuvering ¹	210	210	300
7		Berthing (Approach ² , Make Lines Fast, and Deploy Ramp)	88	88	88
8	Treasure Island	Unload Passengers ³	20	20	20
		One-Way Trip (Seconds)	1145	877	812
		One-Way Trip (Minutes)	19.1	14.6	13.5

**Table 5:
Ferry Cycle Times - Treasure Island to San Francisco (Ferry Building) to Treasure Island**

Item #	Location	Maneuver/Action	Time (seconds)		
			Pier One Site North	Pier One Site South	West Shore Site
1	Treasure Island	Passenger Loading ¹	96	96	96
2		Departure (Retract ramp, Cast Off, and Back Out)	90	90	90
3		Turning ¹	35	35	125
4		Accelerate to 25 Knots	25	25	25
5		Cruising (25 Knots)	657	389	234
6		Decelerate & Maneuvering	210	210	210
7		Berthing (Approach ² , Make Lines Fast, and Deploy Ramp)	88	88	88
8	San Francisco	Unloading Passengers ³	96	96	96
9	San Francisco	Passenger Loading ¹	20	20	20
10		Departure (Retract ramp, Cast Off, and Back Out)	90	90	90
11		Turning	35	35	35
12		Accelerate to 25 Knots	25	25	25
13		Cruising (25 Knots)	657	389	234
14		Decelerate & Maneuvering ¹	210	210	300
15		Berthing (Approach ¹ , Make Lines Fast, and Deploy Ramp)	88	88	88
16	Treasure Island	Unload Passengers ³	20	20	20
		Cycle Time (Seconds)	2442	1906	1776
		Cycle Time (Minutes)	40.7	31.8	29.6

Notes (Tables 3, 4 and 5):

1. Additional time for west shore is the result of navigating the extensive breakwater system needed to protect the ferry terminal from the western exposure.
2. Approach refers to time required to come to a stop in berth from one boat length out.
3. Unloading and loading times assumes 21 seconds for walk to vessel from waiting area (or from vessel to waiting area), a loading rate of 10 passengers per minute per unit width, and an access width of 6 feet.

The cycle times for the East Bay routes have also been prepared for comparison purposes and are presented in Tables 6 and 7. The trip durations and cycle times for the routes provided in Tables 3, 4, 5, 6, and 7 have all been reviewed by the WTA.

**Table 6:
Ferry Route Cycle Times - Treasure Island to Oakland (Jack London) to Treasure Island**

Item #	Location	Maneuver/Action	Time (seconds)	
			Pier One Site	West Shore Site
1	Treasure Island	Passenger Loading ¹	20	20
2		Departure (Retract ramp, Cast Off, and Back Out)	90	90
3		Turning	35	125
4		Accelerate to 25 Knots	25	25
5		Cruising (25 Knots)	673	813
6		Decelerate & Maneuvering	210	210
7		Berthing (Approach ² , Make Lines Fast, and Deploy Ramp)	88	88
8	Oakland	Unloading Passengers ¹	20	20
9	Oakland	Passenger Loading ¹	96	96
10		Departure (Retract ramp, Cast Off, and Back Out)	90	90
11		Turning	35	35
12		Accelerate to 25 Knots	25	25
13		Cruising (25 Knots)	673	813
14		Decelerate & Maneuvering	210	300
15		Berthing (Approach, Make Lines Fast, and Deploy Ramp)	88	88
16	Treasure Island	Unload Passengers ¹	96	96
		Total Cycle Time (seconds)	2,474	2,935
		Total Cycle Time (minutes)	41	49

Notes:

1. Unloading and loading times assumes 21 seconds for walk to vessel from waiting area (or from vessel to waiting area), a loading rate of 10 passengers per minute per unit width, an access width of 6 feet, and 149 passengers each way.
2. Approach refers to time required to come to a stop in berth from one boat length out.

**Table 7:
Ferry Route Cycle Times - Treasure Island to Berkeley to Treasure Island**

Item #	Location	Maneuver/Action	Time (seconds)	
			Pier One Site	West Shore Site
1	Treasure Island	Passenger Loading ¹	20	20
2		Departure (Retract ramp, Cast Off, and Back Out)	90	90
3		Turning	35	125
4		Accelerate to 25 Knots	25	25
5		Cruising (25 Knots)	577	697
6		Decelerate & Maneuvering	210	210
7		Berthing (Approach ² , Make Lines Fast, and Deploy Ramp)	88	88
8	Berkeley	Unloading Passengers ¹	20	20
9	Berkeley	Passenger Loading ¹	96	96
10		Departure (Retract ramp, Cast Off, and Back Out)	90	90
11		Turning	35	35
12		Accelerate to 25 Knots	25	25
13		Cruising (25 Knots)	577	697
14		Decelerate & Maneuvering	210	300
15		Berthing (Approach, Make Lines Fast, and Deploy Ramp)	88	88
16	Treasure Island	Unload Passengers ¹	96	96
		Total Cycle Time (seconds)	2,282	2,702
		Total Cycle Time (minutes)	38	45

Notes:

1. Unloading and loading times assumes 21 seconds for walk to vessel from waiting area (or from vessel to waiting area), a loading rate of 10 passengers per minute per unit width, and an access width of 6 feet.
2. Approach refers to time required to come to a stop in berth from one boat length out.

The Ferry Study calculated the one-way travel time and round-trip travel time for both the Pier One and the west shore site. Some members of the public raised the concern that actual passenger travel time was not given for comparison purposes.

Table 8 provides the calculated one-way passenger travel time (excludes passenger loading and unloading) from the west shore of TI to the San Francisco Ferry Building, Berkeley and Oakland, the one-way passenger travel time from Pier One to those same sites and actual passenger travel times for some of the existing Bay Area ferry routes.

Review of these tables confirms that the shortest one-way passenger travel time to San Francisco is from the west shore, although a southern route from Pier One only takes one minute longer. The shortest one-way passenger travel time to the East Bay, should that route occur, would be from the Pier One site. Table 8 also confirms that the one-way

passenger travel times for both locations on Treasure Island would compare very favorably with the other existing ferry routes in the Bay.

Table 8:
Typical Bay Area Ferry Route Trip Durations
Passenger Travel Time

ROUTE	TRIP DURATION (sec.)	TRIP DURATION (min.)
Vallejo/SF Ferry Building	3300	55
Sausalito/SF Fisherman's Wharf	1800	30
Oakland/SF Ferry Building	1800	30
TI West Shore/Oakland	1380	23
TI West Shore/Berkeley	1260	21
Alameda/SF Ferry Building	1200	20
Tiburon/SF Ferry Building	1200	20
TI Pier 1/Oakland	1140	19
TI Pier 1 - North/SF Ferry Building	1080	18
TI Pier 1/Berkeley	1020	17
TI Pier 1 - South/SF Ferry Building	840	14
TI West Shore/SF Ferry Building	780	13

Notes: 1. Bold items represent possible new routes from TI.

2. Passenger travel time includes items 2 through 7 on Tables 4, 5, 6 and 7.

4. NUMBER OF FERRY VESSELS

Questions were raised regarding the number of vessels that would be needed to provide adequate service to TI, from either the Pier One site or a proposed site along the western shoreline. The Ferry Report discussed thirty minutes as the minimum round-trip (cycle) time necessary for a site to be served by a single ferry vessel. This approach assumed that the frequency of ferry service needed at TI would be similar to existing routes in the Bay. Based on this approach, CMA concluded that two ferry vessels would be needed at both sites to accommodate ferry service every half hour during peak usage period. Neither site could accommodate such service with a single vessel, according to the round-tip (cycle) times computed for the Ferry Study.

Since submitting the Ferry Study, CMA has performed additional analysis on trip durations from both sites. The additional analysis included refinement of the maneuvering required due to the waterside breakwater improvements and consideration of a southern route from Pier One.

After completing the re-evaluation of the trip durations for the three potential routes, the west shore site has a cycle time of 29.6 minutes, the southern route from Pier One would have a cycle time of 31.8 minutes, and the northern route from Pier One would have a cycle time of 40.7 minutes. Once these revised cycle times had been reviewed by the WTA, further discussion was conducted to determine the effect of the trip durations on the number of ferry vessels needed to serve the routes. The WTA indicated that ferry service at TI would initially

be provided according to projected ferry usage and then would be re-evaluated and adjusted to meet the actual demand for the service. If additional service is needed, it could be achieved by either utilizing larger vessels or by adding a second vessel during peak periods. The WTA also indicated that another important consideration in determining the maximum headway (time between ferry departures for the same one-way route) for a ferry service is the attractiveness of the service to its users, which is heavily dependant on the frequency and duration (one-way trip time) of the service. Since the duration of service for the west shore and a southern route to Pier 1 only vary by 1 minute, and the duration of service for the west shore and a northern route to Pier One only vary by 5.5 minutes, it is concluded that the frequency of the service and the number of ferries needed would be the same at either of the two sites.

5. SAND BAR AT THE ENTRANCE TO CLIPPER COVE

The sand bar located at the entrance to Clipper Cove was identified in the Ferry Study as not having a direct impact on ferry operations at Pier One. Further information obtained since the completion of the Ferry Study revealed that the TIDA's proposed marina development project would include an application for a dredging permit to dredge the sand bar at the mouth of Clipper Cove to provide an access channel to the marina. The dredging will be performed, where needed, to a minimum depth of -12 Mean Lower Low Water (MLLW). The new dredged entrance channel will be 750 feet from Pier One. This distance is more than adequate to safely allow ferry vessel maneuvering (250 feet needed) at the pier and recreational boating activities in the vicinity to operate simultaneously. Such dredging activity would eliminate the sand bar as a possible future concern for ferry operations at Pier One as well. This will also eliminate any concern of the sand bar potentially redirecting traffic leaving Clipper Cove towards Pier One. Figure 3 illustrates the Marina Project Area and the proposed area to be dredged.

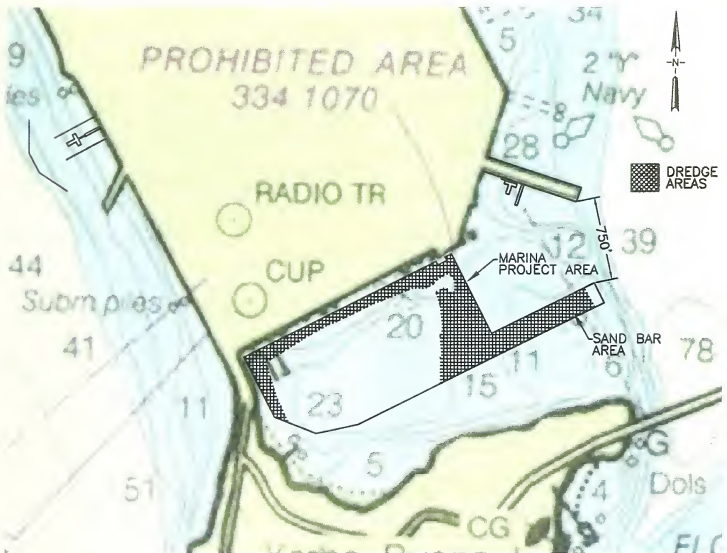


Figure 3: Proposed Marina Project Area at Clipper Cove

6. WAVE IMPACT FROM VESSELS

Public comment raised the concern that vessel wake of any type was not considered during the evaluation of wave impacts on the ferry terminal development at the two sites. Vessel wake is not considered to be significant because the magnitude of the waves produced by vessels is below current design criteria for projects of this type at both sites, which are based on wind waves, not vessel waves.

Another potential concern is the affect of ferry vessel wake on recreational boating within Clipper Cove. Since the ferry vessels will be preparing for docking when in the vicinity of Clipper Cove, there speed will be reduced which will result in no significant wave energy in the Clipper Cove area.

7. RISK OF COLLISIONS BETWEEN FERRIES AND RECREATIONAL USES

Comments were made concerning the risk of collisions between ferries and recreational uses, particularly with regard to the Pier One site. CMA considered this issue again, and consulted with the WTA, and once more concluded that no significant increase in incident occurrence has been identified (see TA, Appendix A). However, the research did determine that, should a risk of collision be identified in the future, the problem could be mitigated by having an additional deck hand on watch to assist the ferry crew in identifying and avoiding potential conflicts with recreational uses. The operating costs described herein include an additional deck hand for the Pier One routes where the potential risk is likely to be greater. There is no conclusive evidence that an additional deck hand would be required, and the operating cost calculated for Pier One could be lower if there is no need for this additional employee.

8. OPERATING COSTS

Preliminary annual operating costs for the three possible routes from TI to the San Francisco Ferry Building and routes to East Bay terminals at Oakland (Jack London) and Berkeley have been evaluated. In order to perform this evaluation, the ferry specialists at Art Anderson & Associates, Seattle, Washington, were retained. Additionally, background information and costs regarding ferry operations prepared by the WTA were also reviewed.

Art Anderson & Associates performed model simulations for the possible ferry routes from TI to the San Francisco Ferry Building to determine the fuel and maintenance costs. (See TA, Appendix M). The operating costs for the two sites are provided in Tables 9, 10, 11, 12, 13, 14, and 15 below. As shown in the operating cost tables, a number of the operational items will have the same cost for either route. However, three items, crew, fuel, and maintenance, have higher costs for the Pier One route to the San Francisco Ferry Building due to the longer travel distance and the potential need for an additional deck hand to be on watch to avoid impacts to navigational hazards. If the additional deck hand is not deemed a requirement for the Pier One routes, then the operational costs of the Pier One southern route to the San Francisco Ferry Building is estimated to be only \$53,002 more than the western route, and the Pier One northern route is estimated to be only \$144,550 more than the western route.

For the East Bay routes to Oakland (Jack London) and Berkeley, only the crew cost is higher for the Pier One site compared to a west shore site. This is a result of the travel distance to these sites being greater for a west shore site which results in higher fuel and maintenance costs. If the number of crew members is not found to be greater for the Pier One routes, then the operating costs for routes from a west shore site would be \$56,506 greater to Oakland and \$52,431 greater to Berkeley on an annual basis when compared to routes from Pier One. See Table 16 for a comparison of the operating costs for all of the routes evaluated.

Table 9:
Pier One - North to San Francisco Ferry Building Route

Preliminary Operating Costs

Item Description	Cost
Crew (Captain, Senior Deck, 4 Deck)	\$1,886,920
Fuel	\$149,651
Passenger Services	\$112,320
Maintenance	\$117,740
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$2,427,511

Table 10:
Pier One - South to San Francisco Ferry Building Route

Preliminary Operating Costs

Item Description	Cost
Crew (Captain, Senior Deck, 4 Deck)	\$1,886,920
Fuel	\$91,143
Passenger Services	\$112,320
Maintenance	\$84,700
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$2,335,963

Table 11:
West Shore to San Francisco Ferry Building Route

Preliminary Operating Costs

Item Description	Cost
Crew (Captain, Senior Deck, 3 deck)	\$1,599,780
Fuel	\$57,270
Passenger Services	\$112,320
Maintenance	\$65,571
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$1,995,821

Table 12:
Pier One to Oakland (Jack London)

Preliminary Operating Costs

Item Description	Cost
Crew (Captain, Senior Deck, 4 Deck)	\$1,886,920
Fuel	\$151,909
Passenger Services	\$112,320
Maintenance	\$119,517
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$2,431,546

Table 13:
West Shore to Oakland (Jack London)

Preliminary Operating Costs

Item Description	Cost
Crew (Captain, Senior Deck, 3 deck)	\$1,599,780
Fuel	\$183,534
Passenger Services	\$112,320
Maintenance	\$144,398
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$2,200,912

Table 14: Pier One to Berkeley Preliminary Operating Costs	
Item Description	Cost
Crew (Captain, Senior Deck, 4 Deck)	\$1,886,920
Fuel	\$130,168
Passenger Services	\$112,320
Maintenance	\$102,412
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$2,392,700

Table 15: West Shore to Berkeley Preliminary Operating Costs	
Item Description	Cost
Crew (Captain, Senior Deck, 3 deck)	\$1,599,780
Fuel	\$157,275
Passenger Services	\$112,320
Maintenance	\$127,736
Insurance	\$80,000
Licenses	\$6,000
Cleaning Crew	\$74,880
Total	\$2,157,991

Notes (Tables 9 through 15):

1. Costs based on 149 passenger vessel.

2. Passenger Services includes costs for urea solution, fresh ater and sewage disposal.

Table 16: Operating Cost Comparison Chart			
Treasure Island Location -"route"	SF – Ferry Building	Oakland	Berkeley
Pier One – North (4 Crew Members)	\$2,427,511	\$2,431,546	\$2,392,700
Pier One – South (4 Crew Members)	\$2,335,963		
Pier One – North (3 Crew Members)	\$2,140,371		
Pier One – South (3 Crew Members)	\$2,048,823	\$2,144,406	\$2,105,560
West Shore	\$1,995,821	\$2,200,912	\$2,157,991

9. RIDERSHIP ADVANTAGE OF A SHORT FERRY ROUTE

Some members of the public expressed the opinion that a shorter ferry route from the western shore would increase ridership and therefore support the development of T1. Discussions with representatives of the WTA revealed that ridership counts have been found to be dependent upon travel time. However, CMA believes that, given the comparatively small differences in travel times between the various potential routes on T1, ridership would be relatively constant, especially when a southern route to Pier One is considered.

Many opinions can be given regarding what motivates the public to use various forms of transit, including ferries. Factors include, ease of use, trip duration, cost, aesthetics and personal taste. While some individuals may not ride the ferry to T1 because it navigates around the island from San Francisco, the differential one-way travel time between a west side terminal and east side terminal is only one minute utilizing the southern route to Pier One, or 5.6 minutes using a northern route to Pier One. Given the parking issues in San Francisco and potential delays on the Bay Bridge and San Francisco roadways, any ferry alternative will provide a fast and pleasant linkage between T1 and San Francisco. In addition, both potential terminal sites on T1 are located within easy walking distance of the active uses proposed for T1, so it is unlikely that either terminal location will significantly affect ferry ridership.

10. REGULATORY APPROVAL PROCESS

The proposed improvements needed to develop a ferry terminal on TI will be subject to the permitting requirements of the Bay Conservation and Development Commission (BCDC) under the McAteer-Petris Act (Gov. Code §§ 66600 *et seq.*) and the U.S. Army Corps of Engineers (Corps) under Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. § 403) and, to the extent solid fill is involved or pilings that are the equivalent of solid fill, Section 404 of the Clean Water Act (33 U.S.C. § 1344). Waste discharge requirements under the Porter-Cologne Water Quality Control Act (Water Code § 13000 *et seq.*) and/or a certification under Section 401 of the Clean Water Act (33 U.S.C. § 1341) may be required from the Regional Water Quality Control Board (RWQCB). A preliminary list of the various permits required for ferry service in the Bay, prepared by the Water Transit Authority, is attached as Table 17.

Each of these agencies is independent, and each has separate regulatory requirements that must be met. However, as a general proposition, each agency will require an analysis of alternatives in order to ensure that any fill is the "minimum necessary," will "minimize harmful effects to the bay area," there is "no alternative upland location" for the fill, and the "public benefits from fill clearly exceed the public detriment from loss of water surface area" (BCDC); or is the least environmentally damaging practicable alternative (Corps, RWQCB). In practice, this means that, absent other considerations such as the presence of endangered species,

- sites with less fill will be preferred over those with more fill;
- pile-supported fill for ferry facilities will be preferred over solid fill for such facilities because of the greater adverse impacts of the latter on tidal circulation and benthic species; and
- locations requiring less solid fill will be preferred over those with more.

In the case of the proposed ferry terminal sites on TI, the significantly larger amount of pile-supported and solid fill needed to develop the west shore site would have to be justified over the smaller impacts associated with the development of the Pier One site. This would have to be accomplished, if at all, by showing financial and other public benefits sufficiently compelling to overcome the greater adverse impacts on San Francisco Bay of developing the west shore site. Given the development costs, operating costs, ridership expectations, and impacts connected with the development of the two sites discussed previously in this Supplement, it appears that it would be difficult to justify development of the west shore site over the Pier One site.

TABLE 17: List of Likely Permits for Ferry Systems in the San Francisco Bay

Activity	Permit	Agency	Terminal								
			Berkeley	Richmond	Treasure Island	Mission Bay	Oyster Point	Redwood City	Martinez	Pittsburg/ Antioch	Hercules/ Rodeo
Terminal Construction	Building Permit	City/County	x	x	x	x	x	x	x	x	x
Dredging & Dredge Material Disposal	Dredge Permit	DMMO									x
Dredging & Dredge Material Disposal	CWA Section 401 Certification	RWQCB									x
Construction Stormwater Discharge			x	x	x	x	x	x	x	x	x
Fill Fill	BCDC permit	BCDC	x	x	x	x	x	x	x	x	x
Pile Driving	Incidental Harassment Permit - Seal Haulout (noise)	NMFS						x			
Construction & Operations	Section 7 Consultation - Salt Marsh Harvest Mouse	USFWS				x		x	x		
Construction & Operations	Section 7 Consultation - Black Rail	USFWS						x			
Construction & Operations	Section 7 Consultation - Clapper Rail	USFWS	x				x	x			
Ferry Operations	Incidental Harassment Permit - Seal Haulout	NMFS			x			x			
Ferry Operations	Approval for Permit	USACE	x	x	x	x	x	x	x	x	x
Ferry Operations	Air Permit	BAAQMD/ CARB	x	x	x	x	x	x	x	x	x
Terminal Operations	NPDES Permit	RWQCB	x	x	x	x	x	x	x	x	x
Terminal Operations Stormwater Discharge	Industrial Activities General Permit	RWQCB	x	x	x	x	x	x	x	x	x
Local Sewer Discharge	Industrial Discharge Permit	Local	x	x	x	x	x	x	x	x	x



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Due to a lack of quorum, the regular meeting of the Treasure Island Development Authority, scheduled for 1:30 pm on Wednesday, August 11, 2004 at Room 400, City Hall, San Francisco, **has been cancelled.**

Treasure Island Development Authority

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